



**AZTEC MUNICIPAL SCHOOL DISTRICT**

*"Building a Foundation for Success"*

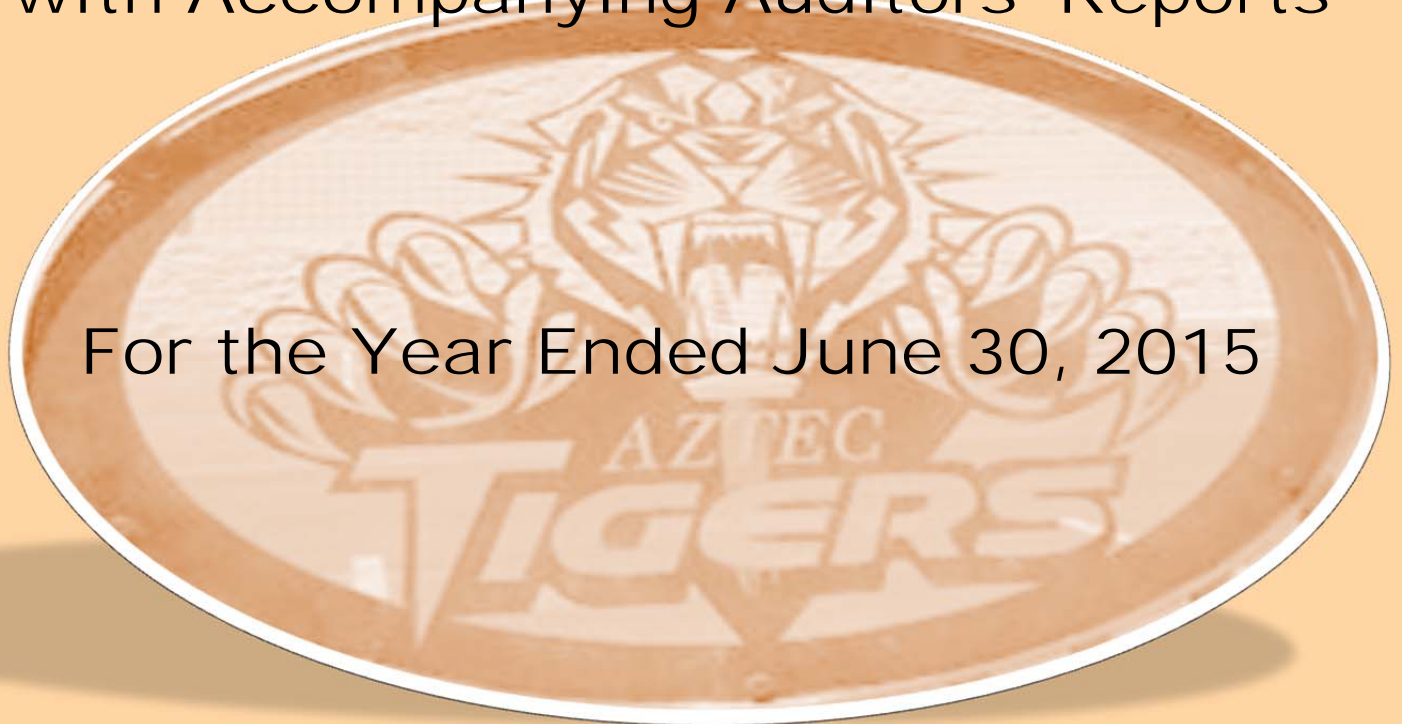


State of New Mexico

Aztec Municipal School District

Financial Statements  
and Required Supplemental Information  
with Accompanying Auditors' Reports

For the Year Ended June 30, 2015



**STATE OF NEW MEXICO**  
 Aztec Municipal Schools  
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## **INTRODUCTION SECTION**

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Official Roster  
June 30, 2015

BOARD OF EDUCATION

Wayne Ritter	President
Roger Collins	Vice President
Jimmy Dusenberry	Secretary
Mitch Waggoner	Member
Ryan Lane	Member

SCHOOL OFFICIALS

Kirk Carpenter	Superintendent
Tania Prokop	Deputy Superintendent
Judy Englehart	Associate Superintendent
Christa Kulidge	Director of Exceptional Programs
Gary Martinez	Director of Finance
Charlie Lee	Director of Maintenance
Shawn Shay	Director of Technology
Grant Banash	Director of Transportation and Operations

## **FINANCIAL SECTION**



**Accounting & Consulting Group, LLP**  
Certified Public Accountants

## **INDEPENDENT AUDITORS' REPORT**

Timothy Keller  
New Mexico State Auditor  
The Office of Management and Budget  
The Board of Education  
Aztec Municipal Schools  
Aztec, New Mexico

### **Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparison for the General Fund and the major special revenue fund of Aztec Municipal Schools (the District), as of and for the year ended June 30, 2015, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental funds, the combining financial statements for the General Fund, the component unit funds, and the budgetary comparisons for the major capital projects funds, major debt service fund, the component unit funds and all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2015, as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Aztec Municipal Schools, as of June 30, 2015, and the respective changes in financial position thereof, and the respective budget comparisons for the general fund and the major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.



In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund, the component unit funds and the combining financial statements for the General Fund of the District as of June 30, 2015, and the respective changes in financial position, thereof, and the respective budgetary comparisons for the major capital projects funds, major debt service funds, and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* on pages 6 through 12 and Schedules and Notes to the Required Supplementary Information on pages 51 through 53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the District's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The Schedule of Expenditures of Federal Awards as required by Office of Management and Budget *Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations* and Supporting Schedules I through IV required by 2.2.2 NMAC are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards and Supporting Schedules I through IV required by 2.2.2 NMAC are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and Supporting Schedules I through IV required by 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory section and Schedule V have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2015, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Accounting & Consulting Group, LLP*

Accounting & Consulting Group, LLP  
Albuquerque, NM  
November 5, 2015



## Introduction

The financial performance of the Aztec Municipal Schools (the District) for the fiscal year ended June 30, 2015 will be the subject of this discussion and analysis. The intent is to look at the financial performance as a whole; however, readers may also utilize the accompanying financial statements and notes for comprehensive information.

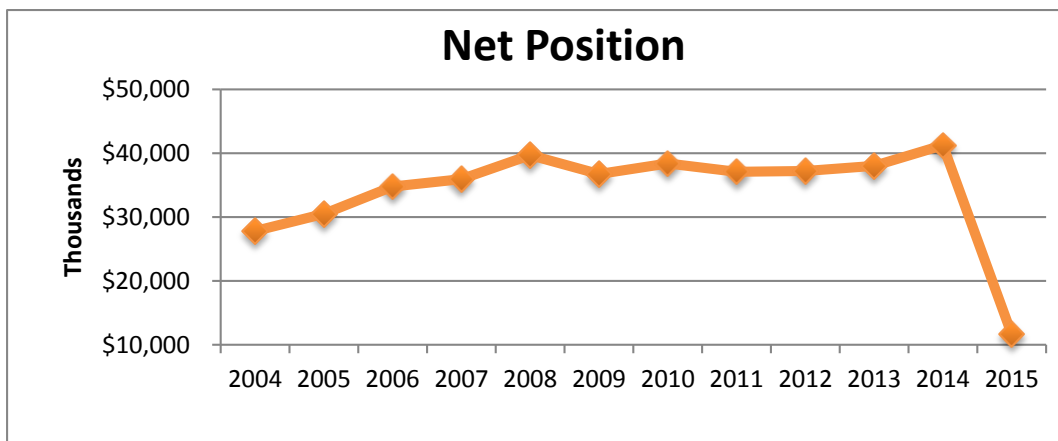
## Financial Highlights

Key financial highlights for fiscal year 2015 are as follows:

- During the fiscal year ended June 30, 2015, the District's debt management program produced a tax rate for debt at \$6.68 per thousand dollars of assessed valuation. This rate decreased from \$8.45 in the prior year because the oil and natural gas portion of the district's tax base increased, however we expect the tax rate will increase in fiscal year 2015-2016 due to the oil and natural gas portion of the district's tax base decreasing.
- During the fiscal year ended June 30, 2015, the District was required to report a share of the liabilities and expenses of the district's pension plan managed by the Educational Retirement Board. As shown below the inclusion of this information into the District's financial statements significantly impacted the District's net position.

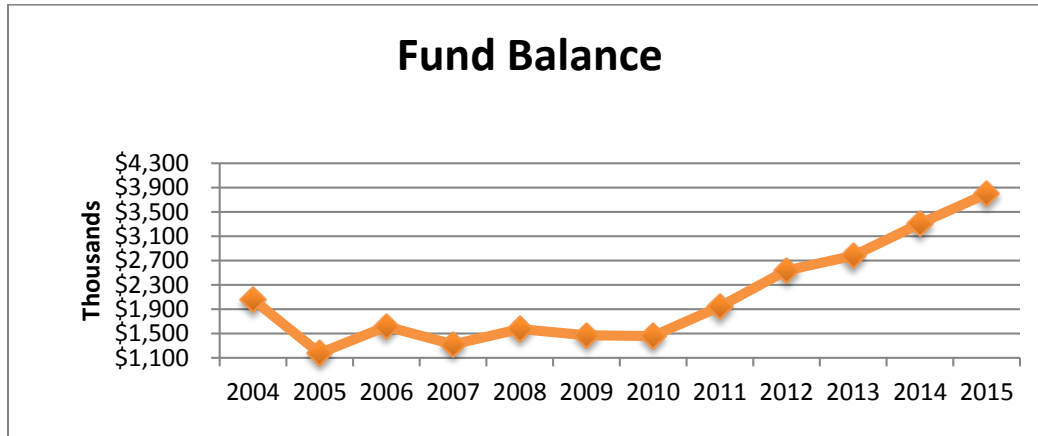


Total assets and deferred outflows was	\$ 93,882,197
Total liabilities and deferred inflows	\$ 82,240,840
Net position of Governmental Activities was	\$ 11,641,357





- General Fund revenues and transfers exceeded expenditures by \$ 627,098 resulting in a year-end fund balance of \$3,854,999 which is 18% of total general fund expenditures.



- Capital assets including real estate and buildings totaled \$118,702,654 with accumulated depreciation of \$ 53,046,872.

## Basic Financial Statements

This annual report introduces the District's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

The Statement of Net position and Statement of Activities are district-wide (government) information that presents both an aggregate view of the District's finances and a longer-term view of trends. The next level of information is in the fund level financial statements. A fund is an accountability unit used to maintain control over resources for specified activities or objectives. The fund financial statements will look at the District's most significant funds while combining all other non-major funds into a single summary.

## Government -Wide Financial Statements

### Statement of Net Position and Statements of Activities

These two statements report the District's net position and changes in net position. This change in net position is important because it identifies whether the financial position of the District has improved or diminished for the District as a whole. The cause of this change may be the result of many factors, some financial. Non-financial factors include the District's property tax base, facility conditions, required educational programs, and other factors.

State of New Mexico  
Aztec Municipal Schools  
Management's Discussion and Analysis  
For the Year Ended June 30, 2015



*Governmental Activities* – All of the District's programs and services are considered governmental and include the instructional program, support services, operation and maintenance of plant, pupil transportation, and activities.

**Statement of Net Position** – This is a District-wide statement including all assets and liabilities using an accrual basis of accounting. This basis of accounting, similar to private sector business, includes all of the current year's revenues and expenses regardless of when actual cash was received or paid. Differences between assets and liabilities are reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. This year the New Mexico's Educational Retirement Board allocated to each participating state agency employer a portion of the total liability associated with the educational retirement system. The District's share in the amount of \$29.5 million is included in the long term liabilities reflected below.

**Summary of Statement of Net Position**

	June 30, 2015	June 30, 2014	June 30, 2013
<u>Assets</u>			
Current assets	\$ 20,328,248	\$ 10,832,947	\$ 10,532,310
Capital assets	118,702,654	117,461,604	116,582,186
Accumulated depreciation	(53,046,872)	(50,665,536)	(47,953,168)
Other noncurrent assets	5,810,809	5,307,851	4,588,388
<b>Total assets</b>	<b>\$ 91,794,839</b>	<b>\$ 82,936,866</b>	<b>\$ 83,749,716</b>
Total deferred outflows	\$ 2,087,358	\$ -	\$ -
<b>Total assets and deferred outflows</b>	<b>\$ 93,882,197</b>	<b>\$ 82,936,866</b>	<b>\$ 83,749,716</b>
<u>Liabilities</u>			
Accounts payable	\$ 773,417	\$ 963,204	\$ 959,017
Accrued interest	397,203	312,359	326,182
Other current liabilities	5,141,991	4,427,452	3,793,475
Long-term liabilities	71,919,713	36,275,315	40,657,385
<b>Total liabilities</b>	<b>\$ 78,232,324</b>	<b>\$ 41,978,330</b>	<b>\$ 45,736,059</b>
Total deferred inflows	\$ 4,008,516	\$ -	\$ -
<b>Total assets and deferred inflows</b>	<b>\$ 82,240,840</b>	<b>\$ 41,978,330</b>	<b>\$ 45,736,059</b>
<u>Net Position</u>			
Invested in capital assets	\$ 27,553,089	\$ 26,324,668	\$ 25,302,145
Restricted: Debt service	5,882,849	5,742,340	4,440,151
Restricted: Capital projects	5,020,027	4,973,864	4,361,560
Restricted: Other Purpose	898,868	901,493	475,214
Unrestricted	(27,713,477)	3,016,171	3,434,587
<b>Total net position</b>	<b>\$ 11,641,357</b>	<b>\$ 40,958,536</b>	<b>\$ 38,013,657</b>

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Aztec Municipal Schools  
Management's Discussion and Analysis  
For the Year Ended June 30, 2015



Statement of Activities – This statement reports how the District's net position changed during the fiscal year. This report compliments the Statement of Net Position by being designed to show the financial reliance on various sources of revenue used for the functions or activities provided by the District.

**Summary of Statement of Activities**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<u>June 30, 2013</u>
<u>Revenues</u>			
Program Revenues:	-	-	
Charges for Services	608,861	493,983	530,493
Operating Grants	5,343,783	5,478,186	4,936,111
Capital Grants	67,376	91,006	94,998
General Revenues:			
Property Taxes	3,188,393	4,162,800	3,437,444
Federal and State Aid	21,543,210	20,534,409	20,332,464
Other	3,878,045	3,741,471	2,987,923
Total Revenues	<u>34,629,668</u>	<u>34,501,855</u>	<u>32,319,433</u>
<u>Expenses</u>			
Instruction	18,726,453	18,031,554	18,404,858
Support Services	10,827,684	10,536,132	10,516,509
Food Services	1,350,350	1,381,939	1,299,413
Interest on long term debt	1,198,900	1,258,773	1,316,153
Total Expenses	<u>32,103,387</u>	<u>31,208,398</u>	<u>31,536,933</u>
Prior Year Restatement	<u>(31,843,461)</u>		-
Change in net position	<u><u>(29,317,179)</u></u>	<u><u>3,293,457</u></u>	<u><u>782,500</u></u>

The \$31 million prior year restatement above is the result of the new requirement to post the District's share of the employee's retirement plan. We do not anticipate any negative affect on the cost of debt because of this financial reporting change.



## **Fund Financial Statements**

The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. The District uses many funds to account for a multitude of various transactions. Within the basic financial statements, fund financial statements focus only on the District's most significant funds rather than the District as a whole. Major funds are separately reported while all others are combined; individual non-fund data are presented in later sections of this report. The District's major governmental funds, as defined in GASB 34, are the General Fund, IDEA B, Capital Improvement SB-9, and Debt Service Fund.

### Governmental Funds

Governmental funds encompass most of the District's activities and are reported in fund financial statements. These statements focus on short-term periods on how resources flow into and out of those funds and the resources available at the end of the fiscal period. These funds are reported in the modified accrual accounting method that recognizes cash and any other financial assets that can be readily converted. Governmental fund statements and government-wide reporting focus on two different perspectives, short-term and long-term impact, thus the relationship or differences can be understood by reconciling the two different financial statements.

### Governmental Activities

This statement of activity reports the cost of program services, the charges of services, and the revenues that are received to perform these services. The Statement of Activities for governmental activities reports the total cost of services and the net cost of services.

It becomes apparent that dependence upon revenues from the State of New Mexico for governmental activities is significant. The New Mexico Legislature and the operation of the State Equalization Guarantee (SEG) Formula for operational funding by the New Mexico Department of Education have minimized local tax support for public education. This fund pays for teaching staff, instructional support staff, administrative staff and maintenance staff. This represents 98% of the total operating budget from the State of New Mexico through the SEG.

The state of New Mexico, through the Public Education Department, establishes annually a "Unit Value" that is used, along with student membership and the SEG formula factors, to determine the amount of state support to be received by individual districts. The Unit Value has decreased over the past couple of years however a leveling off due to favorable state wide economic factors is expected. The District anticipates membership to remain relatively flat for the near future.

### General Fund Budgeting Highlights

The State of New Mexico school budget process is defined in the New Mexico Statutes (Section 22) and the New Mexico Administrative Code (Section 6). Specific items are further defined in the New Mexico Manual of Procedures for Public School Accounting and Budgeting. The District follows an internal process of budgeting by recognizing the Educational Plan for Student Success and the priorities defined. District management and the Board of Education utilize a continuous improvement model for student success and district improvement. The General Fund is the most significant budgeted fund; other major funds, are the IDEA B, Bond, Capital Improvement SB-9, and Debt Service Funds.

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State of New Mexico  
Aztec Municipal Schools  
Management's Discussion and Analysis  
For the Year Ended June 30, 2015

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The General Fund had final budgeted revenues of \$23,410,861 and actual cash basis revenues of \$23,507,900. Expenditures were budgeted at \$25,316,354 and actual cash basis expenditures were \$26,773,228. The difference between budget and actual expenditures was due to budgetary savings/requirements within the budget and allowable cash balance. General Fund cash balance at year end was \$3,991,095.

### **Capital Asset and Debt Administration**

#### Capital Assets

As of June 30, 2015 the District had \$118,702,654 invested in capitalized assets and had accumulated depreciation of \$53,046,872. A systematic process is in place that adds newly acquired capital assets, deletes capital assets that are disposed of and requires local school sites to verify possession of capital assets at individual locations. During the fiscal year the major additions included the acquisition of several new buses and major additions to computer network infrastructure.

#### Long -Term Debt

The District may incur general obligation debt under the terms of Article IX, Section 11 of the New Mexico Constitution. The issuance of such general obligation debt is dependent upon local voter approval and is limited to 6% of the assessed valuation of taxable property within the District. As of June 30, 2015, the District had outstanding general obligation bonds in the amount of \$45,525,000. The District is bonded to 98.69% of its legal limit of \$46,029,229 based on property taxable value of \$767,153,819.

The District completed and approved a five (5) year Facilities Master Plan (FMP) in September, 2011. This plan is compliant with the Public School Facilities Authority guidelines and serves as a working document for future facility needs within the District.

In May, 2013, the voters approved to extend the existing 2-mil property tax levy which provides funding for the ongoing maintenance and repair of District facilities. To avoid a mill levy increase for residential tax payers, the mill was reduced from 2.00 to 1.886.

The District plans no immediate growth related projects based upon current enrollment projections. In February 2012, voters authorized the issuance of \$17 million in bonds to support the technological and facility needs of the district. In January 2015, the District sold \$11 million dollars' worth of these bonds. The authority to sell the remaining \$6 million dollars' of these bonds lapses in February 2016 but will only be sold if the economic conditions improve.

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State of New Mexico  
Aztec Municipal Schools  
Management's Discussion and Analysis  
For the Year Ended June 30, 2015

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### **Future Outlook and Budget**

The District is committed to openness and transparency and focuses on performance based budgeting, which means the District will fund what works, using the budget to drive improved student performance. Performance based budgeting is going to be a key framework for how we drive the dollars to the programs and practices that are valued and needed to improve outcomes for all children. The District will tie budget investments to expected performance outcomes and in doing so outcomes will drive budgetary decision rather than the budget dictating programming. The performance based budget will allow the District to ensure that budget investments are well-aligned and articulated with clear lines of accountability.

To improve student learning for all students and staff, the District is fully engaged in Professional Learning Communities (PLC), adopting the Common Core State Standards, while implementing a new teacher evaluation program for the state. As the District moves forward, it is vital that the financial position of the District remain strong not only to support the functions of the District but to ensure the District can take advantage of every opportunity to improve learning for all students and staff. Future financial stability is not without its challenges.

### **Contacting the District**

This financial report is designed to provide the reader, citizens, taxpayers, investors and other patrons with a general overview of the Aztec Municipal Schools financial condition and to provide accountability for the funds the District receives. Questions about this financial report or the operations of the district may be directed to:

Kirk Carpenter  
Superintendent  
Aztec Municipal Schools  
1118 W. Aztec Blvd  
Aztec, NM 87410  
[adcarpki@aztec.k12.nm.us](mailto:adcarpki@aztec.k12.nm.us)

Gary Martinez  
Director of Finance  
Aztec Municipal Schools  
1118 W. Aztec Blvd  
Aztec, NM 87410  
[admartga@aztec.k12.nm.us](mailto:admartga@aztec.k12.nm.us)

Other District information may be accessed at:

[www.aztecschools.com](http://www.aztecschools.com)



## **BASIC FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Statement of Net Position  
As of June 30, 2015

	<u>Primary Government Governmental Activities</u>	<u>Component Unit</u>
<b>Assets</b>		
Current assets:		
Cash	\$ 10,624,933	\$ 410,951
Investments	8,000,000	-
Receivables		
Property taxes receivable	390,303	503
Other taxes receivable	235,253	-
Due from other governments	1,048,192	29,901
Due from others	15,161	103
Inventory	14,406	-
Total current assets	20,328,248	441,458
Non-Current Assets:		
Restricted assets		
Cash	5,810,809	-
Capital assets	118,702,654	361,330
Less: accumulated depreciation	(53,046,872)	(160,261)
Total non-current assets	71,466,591	201,069
Total assets	91,794,839	\$ 642,527
Deferred outflows of resources		
Pension - change in proportion	-	3,719
Pension - employer contributions after measurement date	2,087,358	115,468
	2,087,358	119,187
Total assets and deferred outflows	\$ 93,882,197	761,714
<b>Liabilities</b>		
Current liabilities:		
Accounts payable and accrued salaries and benefits	\$ 773,417	\$ 40,277
Accrued interest	397,203	-
Current portion of compensated absences payable	35,855	-
Current bond underwriter premiums	606,136	-
Current portion of long-term obligations	4,500,000	1,904
Total current liabilities	6,312,611	42,181
Long-term liabilities:		
Non-current portion of compensated absences payable	143,422	-
Non-current portion of bond underwriter premiums (net of accumulated amortization of \$1,000,702)	1,173,933	-
Non-current portion of long-term obligations	41,025,000	-
Net pension liability	29,577,358	1,651,229
Total long-term liabilities	71,919,713	1,651,229
Total liabilities	78,232,324	1,693,410
Deferred inflows		
Pension - change in proportion	879,182	-
Pension - actuarial experience	440,602	24,594
Pension - investment experience	2,688,732	150,082
Total deferred inflows	4,008,516	174,676
<b>Net Position</b>		
Net investment in capital assets	27,553,089	199,165
Restricted for :		
Special revenue	898,868	19,778
Debt service	5,882,849	1,904
Capital projects	5,020,027	40,661
Unrestricted	(27,713,477)	(1,367,880)
Total net position	11,641,357	(1,106,372)
Total liabilities, deferred inflows of resources and net position	\$ 93,882,197	\$ 761,714

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Statement of Activities  
For the Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
Primary Government						
Governmental activities:					Governmental Activities	Charter School
Instruction	\$ 18,726,453	\$ 249,546	\$ 1,590,298	\$ 67,376	\$ (16,819,232)	\$ -
Support services - students	2,232,157	-	229,212	-	(2,002,945)	-
Support services - instruction	484,306	-	193,855	-	(290,451)	-
Support services - general administration	354,274	-	58,383	-	(295,891)	-
Support services - school administration	1,749,134	-	330,473	-	(1,418,661)	-
Central services	1,330,377	-	236,770	-	(1,093,607)	-
Operations and maintenance of plant	3,106,272	-	-	-	(3,106,272)	-
Student transportation	1,531,566	-	1,670,779	-	139,213	-
Other support services	39,598	-	-	-	(39,598)	-
Food services	1,350,350	359,315	1,034,012	-	42,977	-
Interest on long-term obligations	1,198,900	-	-	-	(1,198,900)	-
Total Governmental activities	\$ 32,103,387	\$ 608,861	\$ 5,343,783	\$ 67,376	(26,083,366)	
<b>Component Unit Activities:</b>						
Charter school	\$ 1,597,602	\$ 1,209	\$ 122,966	\$ 114,410		(1,359,017)
<b>General Revenues:</b>						
Taxes:						
Property taxes, levied for general purposes					127,743	-
Property taxes, levied for debt service					2,387,301	-
Property taxes, levied for capital projects					673,349	44,454
Oil and gas taxes					3,842,963	-
State equalization guarantee					21,543,210	1,337,933
Interest and investment income					25,030	-
Miscellaneous income					11,791	217
Prior year depreciation adjustment					-	(1,631)
Loss on disposal of capital assets					(1,739)	-
Total general revenues					28,609,648	1,380,973
Change in net position					2,526,282	21,956
Net position - beginning of year					40,958,536	578,268
Net position - Restatement (Note 16)					(31,843,461)	(1,706,596)
Net position - as restated					9,115,075	(1,128,328)
Net position - end of year					\$ 11,641,357	\$ (1,106,372)

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**Aztec Municipal Schools**  
**Balance Sheet - Governmental Funds**  
**As of June 30, 2015**

	<u>Total General Fund</u>	<u>Entitlement IDEA-B</u>	<u>Bond Building</u>	<u>Capital Improvements SB-9</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>ASSETS</b>							
Assets:							
Cash	\$ 1,687,083	\$ -	\$ 6,202,727	\$ 1,914,693	\$ 5,810,809	\$ 820,430	\$ 16,435,742
Investments	2,000,000	-	3,000,000	3,000,000	-	-	8,000,000
Property taxes receivable	15,828	-	-	78,185	296,290	-	390,303
Other taxes receivable	12,460	-	-	49,840	172,953	-	235,253
Due from grantor	-	401,111	-	-	-	647,081	1,048,192
Due from other funds	901,881	-	-	-	-	-	901,881
Other receivable	14,936	-	-	-	-	225	15,161
Inventory	-	-	-	-	-	14,406	14,406
Total assets	<u>\$ 4,632,187</u>	<u>\$ 401,111</u>	<u>\$ 9,202,727</u>	<u>\$ 5,042,718</u>	<u>\$ 6,280,052</u>	<u>\$ 1,482,142</u>	<u>\$ 27,040,938</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>							
Liabilities:							
Accounts payable	\$ 69,566	\$ -	\$ 351	\$ 22,691	\$ -	\$ 11,773	\$ 104,381
Accrued salaries and benefits	598,305	39,820	-	-	-	30,911	669,036
Due to other funds	-	356,767	-	-	-	545,114	901,881
Total liabilities	<u>667,871</u>	<u>396,587</u>	<u>351</u>	<u>22,691</u>	<u>-</u>	<u>587,798</u>	<u>1,675,298</u>
Deferred inflows of resources							
Unavailable Revenue	<u>11,689</u>	<u>-</u>	<u>-</u>	<u>57,011</u>	<u>222,168</u>	<u>69,280</u>	<u>360,148</u>
Total deferred inflows of resources	<u>11,689</u>	<u>-</u>	<u>-</u>	<u>57,011</u>	<u>222,168</u>	<u>69,280</u>	<u>360,148</u>
Fund balances							
Nonspendable							
Inventory	-	-	-	-	-	14,406	14,406
Spendable							
Restricted for:							
Education	98,900	-	-	-	-	-	98,900
Food service operations	-	-	-	-	-	417,495	417,495
Capital acquisitions and improvements	-	-	9,202,376	4,963,016	-	-	14,165,392
Debt Services	-	-	-	-	6,057,884	-	6,057,884
Committed for:							
Emergency reserves	1,200,000	-	-	-	-	-	1,200,000
Subsequent years expenditures	1,009,622	4,524	-	-	-	308,222	1,322,368
Unassigned	1,644,106	-	-	-	-	84,941	1,729,047
Total fund balance	<u>3,952,628</u>	<u>4,524</u>	<u>9,202,376</u>	<u>4,963,016</u>	<u>6,057,884</u>	<u>825,064</u>	<u>25,005,492</u>
Total liabilities, deferred resources and fund balance	<u>\$ 4,632,187</u>	<u>\$ 401,111</u>	<u>\$ 9,202,727</u>	<u>\$ 5,042,718</u>	<u>\$ 6,280,052</u>	<u>\$ 1,482,142</u>	<u>\$ 27,040,938</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Governmental Funds  
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  
As of June 30, 2015

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances - governmental funds	\$	25,005,492
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
The cost of capital assets is	118,702,654	
Accumulated depreciation is	<u>(53,046,872)</u>	65,655,782
Contributions to the pension plan are expensed in the government funds but are deferred outflows for the government-wide statements		
		2,087,358
Revenues not collected within sixty days after year-end are considered "available" revenues and are shown as unavailable revenues on the balance sheet.		
Delinquent property taxes	290,868	
State revenues	<u>69,280</u>	360,148
Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore, are not reported in funds		
Deferred inflows of resources related to change in proportion		(879,182)
Deferred inflows of resources related to actuarial experience		(440,602)
Deferred inflows of resources related to investment experience		(2,688,732)
Long-term and certain other liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in governmental funds. Long-term and other liabilities at year-end consist of:		
Bonds payable		(45,525,000)
Pension Liability		(29,577,358)
Compensated absences		(179,277)
Unamortized bond underwriter premiums		(1,780,069)
Accrued interest payable		<u>(397,203)</u>
Total net position - governmental activities	\$	<u><u>11,641,357</u></u>

**STATE OF NEW MEXICO**  
**Aztec Municipal Schools**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds**  
**For the Year Ended June 30, 2015**

	<u>General Fund</u>	<u>Entitlement IDEA-B</u>	<u>Bond Building</u>	<u>Capital Improvements SB-9</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>Revenues:</b>							
Federal grants	\$ -	\$ 982,347	\$ -	\$ -	\$ -	\$ 1,619,381	\$ 2,601,728
State grants	22,982,396	-	-	67,376	-	1,165,627	24,215,399
<b>Local sources:</b>							
Property Taxes	122,456	-	-	652,033	2,330,098	-	3,104,587
Oil and Gas Taxes	192,713	-	-	770,851	2,879,399	-	3,842,963
Local grants	3,459	-	-	-	-	77,738	81,197
Charges for services	154,417	-	-	-	-	454,444	608,861
Investment income	25,030	-	-	-	-	-	25,030
Miscellaneous	10,844	-	-	947	-	-	11,791
<b>Total revenues</b>	<b>23,491,315</b>	<b>982,347</b>	<b>-</b>	<b>1,491,207</b>	<b>5,209,497</b>	<b>3,317,190</b>	<b>34,491,556</b>
<b>Expenditures:</b>							
<b>Current:</b>							
Instruction	13,829,367	572,989	-	-	-	842,475	15,244,831
Support services - students	2,053,851	29,623	-	-	-	173,101	2,256,575
Support services - instruction	309,653	-	-	-	-	179,860	489,513
Support services - general administration	295,300	31,875	-	7,613	-	24,950	359,738
Support services - school administration	1,405,194	205,018	-	-	-	114,516	1,724,728
Central services	898,047	55,941	-	-	-	180,996	1,134,984
Operations and maintenance of plant	2,732,171	-	-	-	-	-	2,732,171
Student transportation	1,233,228	82,314	-	-	-	439,459	1,755,001
Other support services	39,598	-	-	-	-	-	39,598
Food services	-	-	-	-	-	1,373,591	1,373,591
<b>Debt service:</b>							
Other Services	-	-	-	-	642	-	642
Non-operating	-	-	-	-	26,649	-	26,649
Debt principal	-	-	-	-	3,900,000	-	3,900,000
Debt interest	-	-	-	-	1,114,056	-	1,114,056
Capital outlay	-	-	2,026,507	1,458,747	-	-	3,485,254
<b>Total expenditures</b>	<b>22,796,409</b>	<b>977,760</b>	<b>2,026,507</b>	<b>1,466,360</b>	<b>5,041,347</b>	<b>3,328,948</b>	<b>35,637,331</b>
<b>Revenues over (under) expenditures</b>	<b>694,907</b>	<b>4,587</b>	<b>(2,026,507)</b>	<b>24,847</b>	<b>168,150</b>	<b>(11,758)</b>	<b>(1,145,774)</b>
<b>Other financing sources (Uses):</b>							
Bond proceeds	-	-	11,193,969	-	-	-	11,193,969
Operating transfers in	-	-	-	-	-	50,000	50,000
Operating transfers out	(50,000)	-	-	-	-	-	(50,000)
<b>Net other financing sources (uses)</b>	<b>(50,000)</b>	<b>-</b>	<b>11,193,969</b>	<b>-</b>	<b>-</b>	<b>50,000</b>	<b>11,193,969</b>
<b>Net Change in fund balance</b>	<b>644,907</b>	<b>4,587</b>	<b>9,167,462</b>	<b>24,847</b>	<b>168,150</b>	<b>38,242</b>	<b>10,048,195</b>
<b>Fund balance - beginning of year</b>	<b>3,307,721</b>	<b>(63)</b>	<b>34,914</b>	<b>4,938,169</b>	<b>5,889,734</b>	<b>786,822</b>	<b>14,957,297</b>
<b>Fund balance - end of year</b>	<b>\$ 3,952,628</b>	<b>\$ 4,524</b>	<b>\$ 9,202,376</b>	<b>\$ 4,963,016</b>	<b>\$ 6,057,884</b>	<b>\$ 825,064</b>	<b>\$ 25,005,492</b>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
Aztec Municipal Schools  
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and  
Changes in Fund Balances to the Statement of Activities  
For the Year Ended June 30, 2015

Total net change in fund balances - governmental funds \$ 10,048,195

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those assets are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which capital outlays exceeds depreciation for the year.

Depreciation expense	(2,990,609)	
Loss on disposal of capital assets	(1,739)	
Capital outlays	<u>1,852,062</u>	
Excess of capital outlays over depreciation expense		(1,140,286)

Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense

District pension contributions	2,087,358	
Allocated pension expense	<u>(1,742,413)</u>	
		344,945

In the Statement of Activities, certain operating expenses - compensated absences, pension expenses and interest expense - are measured by the amounts incurred during the year. In the fund financial statements, however, expenditures are measured by the amount of financial resources used (essentially the amounts actually paid). The (increases) decreases in the liabilities for the year were:

Compensated absences payable	17,176	
Accrued interest payable	<u>(84,844)</u>	
		(67,668)

Repayment of debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.

Bond principal payments		3,900,000
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Bonds are refunded when a financial advantage would result to the District. The resulting savings is capitalized as a deferred gain and is amortized over the life of the new bonds. This amortization will be recorded in the Statement of Activities.

Capitalization of bond refunding interest savings		(193,969)
Amortization of underwriter premiums		495,214

Because some revenues will not be collected for several months after the fiscal year-end, they are not considered available revenues in the governmental funds. They are considered revenues in the Statement of Activities. The increase (decrease) in revenues receivable for the year were:

Property Taxes		83,806
Other Receivables		56,045

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Bond proceeds for the year totaled:		<u>(11,000,000)</u>
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Change in net position of governmental activities		<u>\$ 2,526,282</u>
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**STATE OF NEW MEXICO**  
**Aztec Municipal Schools**  
**General Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**For the Year Ended June 30, 2015**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues:</b>				
Federal Sources:				
Impact Aid	\$ -	\$ -	\$ -	\$ -
Indirect Costs - Federal Direct Grants	1,000	1,000	4,438	3,438
Indirect Costs - Federal Flowthrough Grants	40,000	40,000	53,928	13,928
Access Board (E-rate)	45,451	45,451	44,038	(1,413)
Total Federal Sources	86,451	86,451	102,404	15,953
State Sources:				
State Equalization Guarantee	21,541,255	21,558,133	21,543,210	(14,923)
Charter School Administration Revenue	26,861	26,861	24,955	(1,906)
Instructional Materials - Adopted 50%	81,601	133,156	133,156	-
Instructional Materials - Other 50%	81,602	88,820	88,820	-
State Flow Through Grant	-	-	-	-
Transportation Distribution	1,211,521	884,069	884,069	-
Transportation Distribution - Supplemental	-	264,551	264,551	-
Intergovernmental Contract Revenue	20,000	20,000	19,221	(779)
Fees - Governmental Revenues	36,139	36,139	49,369	13,230
Total State Sources	22,998,979	23,011,729	23,007,351	(4,378)
Local Sources:				
Ad Valorem Taxes - School District	138,755	138,755	140,847	2,092
Oil and Gas Taxes	158,426	158,426	192,713	34,287
Investment Income	3,500	3,500	15,307	11,807
Fees - Activities	-	-	-	-
Fees - Educational	8,400	8,400	22,793	14,393
Fees - Users	-	-	-	-
Fees - Summer School	-	-	-	-
Royalties	1,800	1,800	305	(1,495)
Rentals	1,800	1,800	2,200	400
Contributions from Private Sources	-	-	25	25
Categorical - Instruction	-	-	3,459	3,459
Insurance Recoveries	-	-	4,940	4,940
Refunds of Prior Year's Expenditures	-	-	-	-
Sale of District Assets	-	-	15,556	15,556
Total Local Sources	312,681	312,681	398,145	85,464
Total Revenues	23,398,111	23,410,861	23,507,900	97,039
<b>Expenditures:</b>				
Education, Current:				
Instruction	15,999,346	16,229,144	13,827,414	2,401,730
Support Services - Students	2,194,208	2,194,226	2,050,896	143,330
Support Services - Instruction	321,464	343,284	313,120	30,164
Support Services - General Administration	319,835	320,788	298,409	22,379
Support Services - School Administration	2,691,891	2,692,688	1,405,362	1,287,326
Support Services - Central Services	891,397	888,629	898,986	(10,357)
Operations and Maintenance of Plant	2,755,349	2,755,349	2,764,273	(8,924)
Student Transportation	1,372,021	1,309,120	1,244,180	64,940
Other Support Services	40,000	40,000	39,569	431
Food Services	-	-	-	-
Community Services	-	-	-	-
Education, Non-Current:				
Capital Outlay	-	-	-	-
Total Expenditures	26,585,511	26,773,228	22,842,209	3,931,019
<b>Revenues Over (Under) Expenditures</b>	<b>\$ (3,187,400)</b>	<b>\$ (3,362,367)</b>	<b>\$ 665,691</b>	<b>\$ 4,028,058</b>
Other Financing Sources (Uses)				
Cash budgeted from prior year	3,187,400	3,362,367	(50,000)	
Operating Transfers and Adjustments				
<b>Net change in fund balances (Budget Basis)</b>			<b>\$ 615,691</b>	
Fund Balances - beginning of year (adjusted)			3,324,968	
Fund Balances - end of year			<b>\$ 3,940,659</b>	
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<i>Net change in fund balance (Budget Basis)</i>			<b>\$ 615,691</b>	
<i>Accrued Revenues</i>			<b>(16,585)</b>	
<i>Accrued Expenditures</i>			<b>45,800</b>	
<b><i>Net change in fund balances (GAAP Basis)</i></b>			<b>\$ 644,907</b>	



**STATE OF NEW MEXICO**  
**Aztec Municipal Schools**  
**Fund 24106 - Entitlement IDEA-B - Special Revenue Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**For the Year Ended June 30, 2015**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues:</b>				
Prior Year Voided Checks	\$ -	\$ -	\$ -	-
Federal Sources	687,346	1,162,288	878,847	(283,441)
Total Revenues	687,346	1,162,288	878,847	(283,441)
<b>Expenditures:</b>				
Education, Current:				
Instruction	419,007	730,544	572,989	157,555
Support Services - Students	19,514	41,014	29,686	11,328
Support Services - General Administration	17,652	31,875	31,875	-
Support Services - School Administration	152,550	227,550	205,018	22,532
Central Services	58,903	39,305	60,465	(21,160)
Student Transportation	19,720	77,000	82,314	(5,314)
Community Services	-	-	-	-
Total Expenditures	687,346	1,147,288	982,347	164,941
Revenues Over (Under) Expenditures	\$ -	\$ 15,000	\$ (103,500)	\$ (118,500)
<b>Other Financing Sources (Uses)</b>				
Cash budgeted from prior year	-	(15,000)	-	
Operating Transfers and Adjustments			-	
<b>Net change in fund balances (Budget Basis)</b>			\$ (103,500)	
Fund Balances - beginning of year (adjusted)			(293,087)	
Fund Balances - end of year			\$ (396,587)	
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<i>Net change in fund balance (Budget Basis)</i>			\$ (103,500)	
<i>Accrued Revenues</i>			103,500	
<i>Accrued Expenditures</i>			4,587	
<b><i>Net change in fund balances (GAAP Basis)</i></b>			\$ 4,587	

STATE OF NEW MEXICO  
Aztec Municipal Schools  
Statement of Fiduciary Assets and Liabilities - Agency Funds  
For the Year Ended June 30, 2015

Assets

Cash	\$ <u>360,390</u>
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Liabilities

Deposits Held for Others	\$ <u>360,390</u>
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## **NOTES TO FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Notes to the Financial Statements  
June 30, 2015

**NOTE 1. Summary of Significant Accounting Policies**

Aztec Municipal Schools (“District”) is a special purpose government corporation governed by an elected five-member Board of Education. The Board of Education is the basic level of government, which has oversight responsibility and control over all activities related to the public school education of the City of Aztec, New Mexico. The District is responsible for all activities related to public elementary and secondary school education within its jurisdiction. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

The school board is authorized to establish policies and regulations for its own government consistent with the laws of the State of New Mexico and the regulations of the Legislative Finance Committee. The School Board is comprised of five members who are elected for terms of four years. The District operates six schools within the District with a total enrollment of approximately 3,200 pupils. In conjunction with the regular educational programs, some of these schools offer special education. In addition, the School District provides transportation and school food services for the students.

The summary of significant accounting policies of the District is presented to assist in the understanding of the District’s financial statements. The financial statements and notes are the representation of the District’s management who is responsible for their integrity and objectivity. The financial statements and notes of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for the governmental units.

During the year ended June 30, 2015, the District adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27 (“GASB 68”)* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68 (“GASB 71”)*.

These two statements are required to be implemented at the same time. GASB 68 addresses accounting and financial reporting for pensions that are provided to the employees of state and local governments through pension plans that are administered through trusts that have the following characteristics:

- Contributions from employers and non-employer contributing entities to the pension plan and earnings on those contributions are irrevocable.
- Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms
- Pension plan assets are legally protected from the creditors of employers, non-employer contributing entities, and the pension plan administrator. If the plan is a defined benefit plan, plan assets are also legally protected from creditors of the plan members.

GASB 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditures related to pensions. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. As a result of the implementation of GASB 68, the government recognized a net pension liability (“NPL”) measured as of the date no later than the end of its prior fiscal year. In the current fiscal year, GASB 68 requires the government to recognize that contribution as a deferred outflow of resources. In addition, GASB 689 requires the recognition of deferred outflows of resources and deferred inflows of resources for changes in the NPL that arise from other types of events, but does not require the government to recognize beginning deferred outflows of resources or deferred inflows of resources if the amounts are not practical to estimate. At transition to GASB 68, GASB 71 requires the employer or non-employer contributing entity to recognize a beginning deferred outflow of resources for its pension contributions made subsequent to the measurement date of the beginning net pension liability but before the start of the government’s fiscal year, thus avoiding possible understatement of an employer or non-employer contributing entity’s beginning net position and expense in the initial period of implementation.

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Notes to the Financial Statements  
June 30, 2015

**NOTE 1. Summary of Significant Accounting Policies (continued)**

This pronouncement has materially impacted the financial statements and additional disclosures are included in the notes to the financial statements to highlight the effects.

The more significant of the District's accounting policies are described below.

**A. *Financial Reporting Entity***

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14 and No. 39 and GASB Statement No. 61. Blended component units, although legally separate entities, are in substance, part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion in the reporting entity. Based upon the application of these criteria, the District has one component unit and is not a component unit of another government agency.

Mosaic Academy was established in 2006 under the Charter School Act and serves to provide public education to the community of Aztec, New Mexico. The charter school is deemed to be fiscally dependent upon the District and has been deemed to be a separate legal entity based on state statute and is presented as a discrete component unit.

**B. *Government-wide and Fund Financial Statements***

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The District does not have any *business-type activities*.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function like the sale of lunch tickets and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function like state and federal grants. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Notes to the Financial Statements  
June 30, 2015

**NOTE 1. Summary of Significant Accounting Policies (continued)**

C. *Measurement focus, basis of accounting, and financial statement presentation*

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the fiduciary fund financial statement. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Property tax receivables are recognized in the period for which the taxes are levied, net of estimated refunds and uncollectible amounts. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The majority of revenues are provided by the District's school tax levy, state equalization and transportation funds, state instructional material allocations, and earnings from investments. Expenditures include all costs associated with the daily operations of the school except for those items included in other funds. The General Fund includes the *Transportation Fund*, which is used to account for the state equalization received from the New Mexico Public Education Department which is used to pay for the costs associated with transporting school age children. It also includes the *Instructional Materials Fund*, which is used to account for the monies received from the New Mexico Public Education Department for the purpose of purchasing instructional materials (books, manuals, periodicals, etc.) used in the education of students.

*Entitlement IDEA-B Special Revenue Fund* is used to account for a program funded by a Federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by Individuals with Disabilities Education Act, Part B, Section 611-620, as amended, Public Laws 91-230, 94-142, 98-199, 99-457, 100, 639, and 101-476, 20 U.S.C. 1411-1420.

*Bond Building Capital Projects Fund* is used to account for bond proceeds. The proceeds are restricted for the purpose of making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof, as approved by the voters of the District.

*Capital Improvements SB-9 Capital Projects Fund* is used to account for erecting, remodeling, making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof as identified by the local school board. Financing is provided by the State of New Mexico's State Equalization Matching and a special tax levy as authorized by the Public School District Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978).

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Notes to the Financial Statements  
June 30, 2015

**NOTE 1. Summary of Significant Accounting Policies (continued)**

C. *Measurement focus, basis of accounting, and financial statement presentation (continued)*

The *Debt Service Fund* is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Additionally, the government reports the following agency fund:

The *Fiduciary Funds* account for assets held by the District in a trustee capacity or as an agent for student organizations.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

D. *Assets, Liabilities and net position or Equity*

**Deposits and Investments:** The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the District to invest in Certificates of Deposit, obligations of the U.S. Government, and the Local Government Investment Pool. The Local Government Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares. As of June 30, 2015, the District has \$8,000,000 in Certificates of Deposits which have been classified as investments.

**Restricted Assets:** Certain proceeds of the District's revenue bonds and general obligation bonds are classified as restricted assets on the balance sheet because their use is limited by the applicable bond covenants.

**Receivables and Payables:** Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

The District receives monthly income from a tax levy in San Juan County. The funds are collected by the County Treasurer and are remitted to the District the following month. Under the modified accrual method of accounting, the amount remitted by the County Treasurer in July and August 2015 is considered 'measurable and available' and, accordingly, is recorded as revenue in the governmental fund statements during the year ended June 30, 2015. Period of availability is deemed to be sixty days subsequent to year end.

Certain Special Revenue funds are administered on a reimbursement method of funding; other funds are operated on a cash advance method of funding. The funds incurred the cost and submitted the necessary request for reimbursement or advance, respectively.

**STATE OF NEW MEXICO**  
 Aztec Municipal Schools  
 Notes to the Financial Statements  
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**NOTE 1. Summary of Significant Accounting Policies (continued)**

**Inventory:** The District’s method of accounting for inventory is the consumption method. Under the consumption approach, governments report inventories they purchase as an asset and defer recognition of the expenditures until the period in which the inventories actually are consumed. Inventory in the Food Service Special Revenue Fund consists of U.S.D.A. commodities and other purchased food and non-food supplies. The cost of purchased food is recorded as an expenditure at the time individual inventory items are consumed.

**Capital Assets:** Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Information Technology equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9 C (5). The District does not have any infrastructure assets to report.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Library books are deemed to have useful lives of one year and are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction. Construction projects paid for by the Public School Capital Outlay Council are included in the District’s capital assets.

Property, plant, and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land improvements	20-40
Buildings and improvements	20-40
Furniture, fixtures, and equipment	3-20

**Deferred Inflows of Resources:** In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Revenue must be susceptible to accrual with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred inflows of resources. The District has two types of items, which arises under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue – property taxes and unavailable revenue – grants, is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The District has recorded \$ 360,148 related to property taxes and related to grants considered “unavailable”. In addition, the District has three types of items present on the Statement of Net Position which arise due to the implementation of GASB 68 and the related net pension liability. Accordingly, the actuarial experience \$ 440,602, investment experience \$ 2,688,732, change in proportion \$879,182 are reported on the Statement of Net Position. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**Deferred Outflows of Resources:** In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. The deferred outflows of resources represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until that time. The District has classified employer contributions to the pension plan subsequent to the measurement date in the amount of \$ 2,087,358 as deferred outflows of resources.



**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Notes to the Financial Statements  
June 30, 2015

**NOTE 1. Summary of Significant Accounting Policies (continued)**

**Net Pensions Liability:** For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Educational Retirement Board (ERB) and additions to/deductions from ERB's fiduciary net position have been determined on the same basis as they are reported by ERB, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value period.

**Compensated Absences:** Twelve month employees are entitled to earn annual leave up to 15 days per year, depending on length of service, and the employee's hire date and the employee's employment status (administrator or classified). Annual leave is supposed to be taken in the year earned or the succeeding fiscal year; however, a maximum of 24 days, depending on the employment status of the employee, may be carried over to the succeeding year or put into the employees annual leave bank. The employee's annual leave bank may accumulate up to a maximum of 20 working days and then any days over the 20 are paid out at a rate of \$10 per day. Once days are banked they may not be withdrawn. If an employee retires from the District, employees are paid out at their hourly rate for unused annual leave and \$10 per day for unused sick leave. Qualified employees are entitled to accumulate sick leave. If an employee accumulates more than 90 days of sick leave they are paid out at a rate of \$10 per day.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. In prior years, substantially all of the related expenditures have been liquidated by the general fund. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the government-wide Statement of net position.

**Accrued Payroll:** In the fund financial statements, governmental fund types recognize the accrual of unpaid wages and benefits that employees have earned at the close of each fiscal year. The amount recognized in the fund financial statements represents checks that were held at year end in relation to employees' summer payroll.

**Long-term Obligations:** In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method or straight line method if the difference is inconsequential.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period.

The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Fund Balance Classification Policies and Procedures:** The District has defined the various categories reported in fund balance. For committed fund balance, the District's highest level of decision-making authority is the Board of Education. The formal action that is required to be taken to establish a fund balance commitment is the Board of Education.

For assigned fund balance, the Board of Education or an official or body to which the School Board of Education delegates the authority is authorized to assign amounts to a specific purpose. The authorization policy is in governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
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June 30, 2015

**NOTE 1. Summary of Significant Accounting Policies (continued)**

For the classification of fund balances, the District considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available. Also for the classification of fund balances, the District considers committed, assigned, or unassigned amounts to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

**Non-spendable Fund Balance:** At June 30, 2015, the non-spendable fund balance in the food service fund is made up of inventory in the amount of \$14,406 that is not in spendable form.

**Restricted and Committed Fund Balance:** At June 30, 2015, the restricted fund balance on the governmental funds balance sheet is made up of \$ 98,900 for providing education to the students of the District, \$14,165,392 for the purpose of erecting, remodeling, making additions to and furnishing school buildings and purchasing or improving school grounds and purchasing computer software and hardware for student use in public schools, providing matching funds for capital outlay projects funded pursuant to the Public School Capital Outlay Act [22-24-1 NMSA 1978], or any combination of these purposes, \$6,057,884 for the payment of principal and interest of the future debt service requirements, and \$417,495 for food service operations administered within the District. \$1,322,368 has been committed for Fiscal 2015-2016 budget requirements.

**Minimum Fund Balance Policy:** The District's policy for maintaining a minimum amount of fund balance for operations is to minimize any sudden and unplanned discontinuity to programs and operations and for unforeseen contingencies. At a minimum, the budget shall ensure that the District holds restricted cash reserves of \$1,200,000.

**Net Position:** Equity is classified as net position and displayed in three components:

- *Net investment in capital assets* - Net position invested in capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- *Restricted net position* - Consist of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation.
- *Unrestricted net position* - All other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

**Estimates:** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates for the District are management's estimate of depreciation on assets over their estimated useful lives, the current portion of accrued compensated absences and net pension liability.

E. *Revenues*

**State Equalization Guarantee:** School districts in the State of New Mexico receive a 'state equalization guarantee distribution' which is defined as "that amount of money distributed to each school district to ensure that the school district's operating revenue, including its local and federal revenues as defined (in Chapter 22, Section 825, NMSA 1978) is at least equal to the school district's program costs."

A school district's program costs are determined through the use of various formulas using 'program units' which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education; 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The District received \$21,543,210 in state equalization guarantee distributions during the year ended June 30, 2015.

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Notes to the Financial Statements  
June 30, 2015

**NOTE 1. Summary of Significant Accounting Policies (continued)**

**Tax Revenues:** The District receives mill levy and ad-valorem tax revenues primarily for debt service and capital outlay purposes. Property taxes are assessed on January 1st of each year and are payable in two equal installments, on November 10th of the year in which the tax bill is prepared and April 10th of the following year with the levies becoming delinquent 30 days (one month) thereafter. The District recognizes tax revenues in the period for which they are levied in the government-wide financial statements. The District records only the portion of the taxes considered 'measurable' and 'available' in the governmental fund financial statements. The District recognized \$3,104,587 in property tax revenues in the governmental fund financial statements during the year ended June 30, 2015. Descriptions of the individual debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes.

**Transportation Distribution:** School districts in the State of New Mexico receive student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through twelve attending public school within the school district. The District received \$1,148,620 in transportation distributions during the year ended June 30, 2015.

**Instructional Materials:** The Public Education Department receives federal mineral leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, seventy percent is restricted to the requisition of materials listed in the State Board of Education "State Adopted Instructional Material" list, while thirty percent of each allocation is available for purchases directly from vendors. The District received \$221,976 of instructional materials revenue from the State for the year ended June 30, 2015.

**SB-9 State Match:** The Director shall distribute to any school district that has imposed a tax under the Public School Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978) an amount from the Public School Capital Improvements Fund that is equal to the amount by which the revenue estimated to be received from the imposed tax as specified in Subsection B of Section 22-25-3 NMSA 1978, assuming a one hundred percent collection rate, is less than an amount calculated by multiplying the product obtained by the rate imposed in the District under the Public School Capital Improvements Act. The distribution shall be made by December 1 of each year that the tax is imposed in accordance with Section 22-25-3 NMSA 1978.

However, in the event that sufficient funds are not available in the public school capital improvement funds to make the state distribution provided for in this section, the dollar per program unit figure shall be reduced as necessary.

The District received \$67,376 in SB-9 matching revenue during the year ended June 30, 2015.

**Capital Outlay:** The public school capital outlay fund was created under the provisions of Chapter 22, Article 24, NMSA 1978. The money in the fund may be used for: capital expenditures deemed by the public school capital outlay council to be necessary for an adequate education program per Section 22-24-4(B); core administrative function of the public school facilities authority and for project management expense upon approval of the council per Section 22-24-4(G); and for the purpose of demolishing abandoned school district facilities, upon application by a school district to the council, per Section 22-24-4(L).

Money in the fund shall be disbursed by warrant of the Department of Finance and Administration on vouchers signed by the Secretary of Finance and Administration following certification by the council that the application has been approved.

During the year ended June 30, 2015, the District did not receive appropriations in the state Special Capital Outlay Fund.

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Notes to the Financial Statements  
June 30, 2015

**NOTE 1. Summary of Significant Accounting Policies (continued)**

E. *Revenues (continued)*

**Federal Grants:** The District receives revenues from various federal departments (both direct and indirect), which are legally restricted to expenditures for specific purposes. These programs are reported as Special Revenue Funds. Each program operates under its own budget, which has been approved by the federal department or the flowthrough agency (usually the New Mexico Public Education Department). The various budgets are approved by the local school board and the New Mexico Public Education Department. For this purpose, the government considers reimbursement grant revenues to be available if they are collected within 60 days of the end of the current fiscal period.

The District also receives reimbursement under the National School Lunch and Breakfast Program for its food services operations, and the distribution of commodities through the New Mexico Human Services Department. These items are recorded as intergovernmental income.

**NOTE 2. Stewardship, Compliance and Accountability**

*Budgetary Information*

Budgets for the General, Special Revenue, Debt Service, and Capital Projects funds are prepared by management and are approved by the local Board of Education and the School Budget and Planning Unit of the Public Education Department. Auxiliary student activity accounts are not budgeted.

These budgets are prepared on the Non-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

Actual expenditures may not exceed the budget at the function (or series) level. Budgets may be amended in two ways. If a budget transfer is necessary within a major category called a 'series,' this may be accomplished with only local Board of Education approval. If a transfer between 'series' or a budget increase is required, approval must also be obtained from Public School Finance Division.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In April or May, the superintendent submits to the Board of Education a proposed operating budget of the fiscal year commencing the following July. The operating budget includes proposed expenditures and the means of financing them, and has approval by the Public Education Department.
2. In May or June, the budget is approved by the Board of Education.
3. The school board must certify the budget. The school board meeting is open for the general public unless a closed meeting has been called.
4. The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the State of New Mexico Public Education Department.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Funds.
6. Budgets for the General, Special Revenue, Debt Service, and Capital Projects Funds are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Budget expenditures exclude encumbrances.
7. The school board may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. New Mexico Administrative Code 6.20.2.9 prohibits a District from exceeding budgetary control at the function level.

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
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**NOTE 2. Stewardship, Compliance and Accountability** (continued)

The District is required to balance its budgets each year. Accordingly, amounts that are excess or deficient are presented as changes in cash designated for expenditures, not as an excess or deficiency of revenues over expenditures.

The reconciliation between the non-GAAP budgetary basis amounts and the financial statements on the GAAP basis for each governmental fund are included in each individual fund budgetary comparison.

**NOTE 3. Deposits and Investments**

State statutes authorize the investment of District funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States government obligations. All invested funds of the District properly followed state investment requirements as of June 30, 2015.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the District. The financial institution must provide pledged collateral for 50% of the deposit amount in excess of the deposit insurance.

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

Excess of funds may be temporarily invested in securities which are issued by the state or by the United States government, or by their departments or agencies, and which are either direct obligations of the state or the United States or are backed by the full faith and credit of those governments.

By operation of federal law, funds deposited in a noninterest-bearing transaction account do not receive unlimited deposit insurance coverage by the Federal Deposit Insurance Corporation (FDIC). All of the District's accounts at an insured depository institution, including all noninterest-bearing transaction accounts, will be insured by the FDIC up to the standard maximum deposit insurance amount of \$250,000

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2015, \$24,397,952 of the District's bank balance of \$25,147,952 was subject to custodial credit risk. \$17,747,079 was uninsured and collateralized by collateral held by the pledging bank's trust department, not in the District's name. \$6,650,873 of the District's deposits was uninsured and uncollateralized at June 30, 2015.

The types of collateral allowed are limited to direct obligations of the United States government and all bonds issued by any agency, District or political subdivision of the State of New Mexico.

	<b>Wells Fargo</b>	<b>Citizens</b>	<b>Total</b>
Amount of deposits	\$ 14,271,410	\$ 10,876,542	\$ 25,147,952
FDIC Coverage	(250,000)	(500,000)	(750,000)
Total uninsured public funds	14,021,410	10,376,542	24,397,952
Collateralized by securities held by pledging institutions or by trust department or agent in other than the District's name.	8,478,579	9,268,500	17,747,079
Uninsured and uncollateralized	5,542,831	1,108,042	6,650,873
Collateralization Requirement (50% of uninsured funds)	7,010,705	5,188,271	12,198,976
Pledged Collateral	8,478,579	9,268,500	17,747,079
Over (Under) the Requirement	\$ 1,467,874	\$ 4,080,229	\$ 5,548,103

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Notes to the Financial Statements  
June 30, 2015

**NOTE 3. Deposits and Investments (continued)**

Reconciliation to the Statements of net position

The carrying amount of deposits shown above are included in the District's statements of net position as follows:

Cash and investments	\$	24,435,742
Cash - Fiduciary Fund		360,390
Total cash		<u>24,796,132</u>
Add: outstanding checks and other reconciling items		351,820
Cash Balance per Bank		<u><u>\$ 25,147,952</u></u>

The District utilizes pooled accounts for some of their program and funds. Negative cash balances in individual funds were reclassified as due to/from accounts in the combining balance sheets as of June 30, 2015. The following individual funds had negative cash balances as of June 30, 2015. A corresponding due to other funds is reflected in each of these funds with a corresponding due from reflected in the operational fund.

Fund	Description	Amount
24101	Title I IASA	\$ (174,573)
24106	Entitlement - IDEA-B	(356,767)
24109	Pre-School - IDEA-B	(4,892)
24120	Pre-School - IDEA-B	(690)
24154	Title II-A Teacher/Principal Training & Recruiting	(61,343)
24174	Carl Perkins	(6,190)
24176	Carl Perkins	(2,443)
25131	Johnson O'Malley	(5,899)
27103	Dual Credit Instructional Materials	(580)
27113	2012 NM Instructional Material Adoption Support	(160,572)
27114	NM Reads to Lead K-3	(46,205)
27150	Indian Education Act	(24,986)
27181	STEM Teacher Initiative	(7,480)
27193	Parent Advocacy Program	(5,994)
28133	NM Youth Conservation	(43,267)
	Total	<u><u>\$ (901,881)</u></u>

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**NOTE 3. Deposits and Investments (continued)**

**Component Unit Activities**

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the Charter School’s deposits may not be returned to it. The Charter School does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2015, \$196,046 of the Charter School’s bank balance of \$446,046 was subject to custodial credit risk. All these funds were fully collateralized by collateral held by the pledging bank’s trust department, not in the Charter School’s name.

The collateral pledged is listed on the schedule of deposits on this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, Charter School or political subdivision of the State of New Mexico.

	<b>Citizens</b>
Amount of deposits	\$446,046
FDIC Coverage	(250,000)
Total uninsured public funds	196,046
Collateralized by securities held by pledging institutions or by trust department or agent in other than the Charter School's name.	196,046
Uninsured and uncollateralized	-
50% Collateralization Required (50% of uninsured funds)	98,023
Pledged Collateral	580,000
Pledged Collateral (Under) the Requirement	\$481,977

**Reconciliation to the Statements of net position**

The carrying amount of deposits and investments shown above are included in the Charter School’s statements of net position as follows:

Cash	\$ 410,951
Cash - Fiduciary Fund	6,192
Total cash	417,143
Add: outstanding checks and other reconciling items	28,903
Cash Balance per Bank	\$ 446,046

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**NOTE 4. Accounts Receivable**

**Primary Government:**

Accounts receivable as of June 30, 2015, are as follows:

	General	IDEA- B Entitlement	Capital Improvements SB-9
Property Taxes	\$ 15,828	\$ -	\$ 78,185
Oil and Gas Taxes	12,460	-	49,840
Due from grantors			
Federal sources	-	401,111	-
State sources	-	-	-
Other sources	-	-	-
Due from Others	14,936	-	-
<b>Total</b>	<b>\$ 43,223</b>	<b>\$ 401,111</b>	<b>\$ 128,025</b>

	Debt Service	Other Government	Total
Property Taxes	\$ 296,290	\$ -	\$ 390,303
Oil and Gas Taxes	172,953	-	235,253
Due from grantors			
Federal sources	-	279,107	680,218
State sources	-	343,245	343,245
Other sources	-	24,729	24,729
Due from Others	-	225	15,161
<b>Total</b>	<b>\$ 469,243</b>	<b>\$ 647,306</b>	<b>\$ 1,688,909</b>

The above receivables are deemed 100% collectible.

In accordance with GASB No. 33, property tax revenues in the amount of \$290,868 that were not collected within the period of availability have been reclassified as unavailable revenue in the governmental fund financial statements.

**Component Unit Activities:**

Accounts receivable as of June 30, 2015, are as follows:

	Total Component Unit
Property Taxes	\$ 503
Due from Grantors	
Federal Sources	-
State Sources	29,901
Due from Others	103
<b>Total</b>	<b>\$ 30,507</b>

The above receivables are deemed 100% collectible.



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**NOTE 5. Capital Assets**

A summary of capital assets and changes occurring during the year ended June 30, 2015, including those changes pursuant to the implementation of GASB Statement No. 34, follows. Land and construction in progress are not subject to depreciation.

Capital Assets Class	Adjusted Balance at July 1, 2014	Additions	Deletions	Adjustments	Balance at June 30, 2015
<b>Governmental Activities</b>					
Capital Assets not being depreciated					
Land	\$ 6,105,691	\$ -	\$ -	\$ -	\$ 6,105,691
Construction-in-Progress	-	5,359	-	-	5,359
<b>Total capital assets not being depreciated</b>	<b>6,105,691</b>	<b>5,359</b>	<b>-</b>	<b>-</b>	<b>6,111,050</b>
Subject to Depreciation:					
Land Improvements	351,660	-	-	-	351,660
Buildings and Improvements	101,885,386	-	-	-	101,885,386
Furniture, fixtures and equipment	9,118,867	1,846,703	611,012	-	10,354,558
<b>Total capital assets being depreciated</b>	<b>111,355,913</b>	<b>1,846,703</b>	<b>611,012</b>	<b>-</b>	<b>112,591,604</b>
Less Accumulated Depreciation:					
Land Improvements	75,581	18,993	-	51	94,625
Buildings and Improvements	44,160,490	2,406,665	-	(6)	46,567,149
Furniture, fixtures and equipment	6,429,465	564,951	610,406	1,088	6,385,098
<b>Total Depreciation</b>	<b>50,665,536</b>	<b>2,990,609</b>	<b>610,406</b>	<b>1,133</b>	<b>53,046,872</b>
<b>Governmental Activities</b>					
Capital Assets, Net	\$ 66,796,068	\$ (1,138,547)	\$ (606)	\$ 1,133	\$ 65,655,782

Depreciation expense charged for the year ended June 30, 2015 by function:

<b>Governmental Activities</b>	
Instruction	\$ 2,510,300
Support Services	938
School Administration	62,720
Operation and Maintenance of Plant	161,701
Student Transportation	241,586
Food Service	13,364
<b>Total Depreciation Expense</b>	<b>\$ 2,990,609</b>

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**NOTE 5. Capital Assets (continued)**

Capital Assets Class	Balance at July 1, 2014	Additions	Deletions	Adjustments	Balance at June 30, 2015
<b>Component Unit</b>					
Subject to Depreciation:					
Buildings and Improvements	\$ 297,466	\$ -	\$ -	\$ -	\$ 297,466
Furniture, fixtures and equipment	64,435	5,669	6,240	-	63,864
Total capital assets being depreciated	<u>361,901</u>	<u>5,669</u>	<u>6,240</u>	<u>-</u>	<u>361,330</u>
Less Accumulated Depreciation:					
Buildings and Improvements	93,824	14,422	-	-	108,246
Equipment and Vehicles	53,712	2,912	6,240	1,631	52,015
Total Accumulated Depreciation	<u>147,536</u>	<u>17,334</u>	<u>6,240</u>	<u>1,631</u>	<u>160,261</u>
		\$			
Total capital assets, net of depreciation	<u>\$ 214,365</u>	<u>(11,665)</u>	<u>-</u>	<u>\$ (1,631)</u>	<u>\$ 201,069</u>

Depreciation expense charged for the year ended June 30, 2015 by function:

Instruction	\$ 3,162
Central Services	976
Operations and Maintenance of Plant	<u>13,196</u>
Total Depreciation Expense	<u>\$ 17,334</u>

**NOTE 6. Long-term Debt**

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. The original amount of outstanding general obligation bonds from prior years is \$47,450,000. General obligation bonds are direct obligations and pledge the full faith and credit of the District. These bonds are issued with varying terms and varying amounts of principal maturing each year. All general obligation bonds as of June 30, 2015 are for governmental activities.

Bonds outstanding at June 30, 2015, are comprised of the following:

	2008	2010A	2010B	2015
Original Issue	\$ 13,225,000	\$ 12,200,000	\$ 22,025,000	\$ 11,000,000
Maturity Date	10/1/2020	8/1/2027	10/1/2020	10/1/2028
Principal	\$ 10,800,000	\$ 11,900,000	\$ 11,825,000	\$ 11,000,000
Interest Rate	3.00% to 4.00%	5.69%	3.00% to 5.00%	2.00% to 3.00%

The following is a summary of the long-term debt and the activity for the year ended June 30, 2015.

	Balance at July 1, 2014	Additions	Retirements	Balance at June 30, 2015	Due Within One Year
General Obligation Bonds Payable	\$ 38,425,000	\$ 11,000,000	\$ 3,900,000	\$ 45,525,000	\$ 4,500,000
Compensated Absences	196,453	41,115	58,291	179,277	35,855
	<u>\$ 38,621,453</u>	<u>\$ 11,041,115</u>	<u>\$ 3,958,291</u>	<u>\$ 45,704,277</u>	<u>\$ 4,535,855</u>

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**NOTE 6. Long-term Debt (continued)**

Annual Amortization of General Obligation Bonds - The annual requirements to amortize the General Obligation Bonds as of June 30, 2015, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2016	\$ 4,500,000	\$ 1,267,163	\$ 5,767,163
2017	4,325,000	1,050,121	5,375,121
2018	4,450,000	918,496	5,368,496
2019	4,750,000	766,496	5,516,496
2020	5,150,000	605,496	5,755,496
2021-2025	14,950,000	1,622,480	16,572,480
2026-2029	7,400,000	512,490	7,912,490
	<u>\$ 45,525,000</u>	<u>\$ 6,742,742</u>	<u>\$ 52,267,742</u>

Compensated Absences – Administrative employees of the District are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2015, compensated absences decreased \$17,176 from the prior year accrual. In prior years, the general fund was typically used to liquidate such long-term liabilities. See Note 1 for more details.

Component Unit – The Charter School has committed to capital lease for copiers. The principal balance at June 30, 2015 is \$1,904 which will be paid in 2016 and classified as a current liability.

**NOTE 7. Risk Management**

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; error omissions; and natural disasters, for which the District is a member of the New Mexico Public School Insurance Authority (NMPSIA). NMPSIA was created to provide comprehensive core insurance programs by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage. The District pays an annual premium to the NMPSIA based on claim experience and the status of the pool. The Risk Management Program includes Workers Compensation, General and Automobile Liability, Automobile Physical Damage, and Property and Crime coverage. Also included under the risk management program are Boiler, Machinery and Student Accident Insurance.

The NMPSIA provides coverage for up to a maximum of \$500,000,000 for each property damage claim with a \$15,000 deductible per occurrence with a maximum annual deductible of \$60,000. General liability coverage is afforded to all employees, volunteers and school board members and the limit is subject to the NMSA Tort Claims Act on a per occurrence basis. The automobile and property liability limit is subject to the provisions of the Tort Claims Act. The crime limit is \$250,000 per occurrence for Faithful Performance. A limit of \$250,000 applies to Depositor's Forgery, Credit Card Forgery, and Money Orders. A limit of \$100,000 applies to Money and Securities, which include a \$750 deductible.

In case the NMPSIA's assets are not sufficient to meet its liability claims, the agreement provides that subscribers, including the District, cannot be assessed additional premiums to cover the shortfall. As of June 30, 2015, there have been no claims that have exceeded insurance coverage.

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**NOTE 8. Deficit Fund Balances and Budget Noncompliance Issues**

Generally accepted accounting principles require disclosures of certain information concerning individual funds including:

A. Deficit fund balance of individual funds. The following funds reflected a deficit fund balance as of June 30, 2015:

**Primary Government:**

<u>Fund</u>	<u>Description</u>	<u>Fund Balance</u>
13000	Transportation	\$ (1,271)
24109	Entitlement IDEA B - Pre-School	\$ (9)
24154	Title II-A Teacher Training	\$ (66,973)
24176	Carl Perkins Redistribution	\$ (2,278)
27103	Dual Credit Instructional Materials	\$ (20)

Component Unit: None

<u>Fund</u>	<u>Description</u>	<u>Fund Balance</u>
27115	Robot Systems for Math Competitions	\$ (1,750)

B. Excess of expenditures over appropriations. No funds in the Primary Government or the Component Unit exceeded approved budgetary authority for the year ended June 30, 2015.

C. Exceeded designated cash appropriations.

**Primary Government:** None

**Component Unit:** None

**NOTE 9. Funds Omitted From Financial Statement Presentation**

The funds below contained revenue or expense activity for the year on a cash and modified accrual basis therefore a Statement of Revenues and Expenditures – Budget and Actual (Non-GAAP Budgetary Basis) and a Combining Statement of Revenues, Expenditures, and Changes in Fund Balances is presented however no ending balances for assets, liabilities or fund balances existed therefore they are not reflected in the Combining Balance Sheets.

**Primary Government:**

<u>Fund</u>	<u>Description</u>
27107	2012 GO Bond Student Library
27178	2013 School Bus Purchase
27183	New Mexico Farm Grown Vegetables
29107	City/County Grants

**Component Unit:**

<u>Fund</u>	<u>Description</u>
27106	2010 GO Bond Student Library
27107	2012 GO Bond Student Library

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**NOTE 10. Pension Plan – Educational Retirement Board**

*Plan Description.* Substantially all of the District's full-time employees participate in a public employee retirement system authorized under the Educational Retirement Act (Chapter 22, Article 11 NMSA 1978). The Educational Retirement Board (ERB) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members (certified teachers, and other employees of state public school districts, colleges and universities) and beneficiaries. ERB issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to ERB, P. O. Box 26129, Santa Fe, NM 87502. The report is also available on ERB's website at [www.nmerb.org](http://www.nmerb.org).

***GASB 68 - Financial Reporting and Disclosure for Multiple-Employer Cost Sharing Pensions Plans by Employers.*** Compliant with the requirements of Government Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*, the State of New Mexico has implemented the standard for the fiscal year ending June 30, 2015.

The District is a contributing employer to a cost-sharing multiple employer defined benefit pension plan administered by the Educational Retirement Board (ERB). Disclosure requirements for governmental funds apply to the primary government as a whole, and as such, this information will be presented in the Component Appropriation Funds Annual Financial Report (General Fund) and the Comprehensive Annual Financial Report (CAFR) of the State of New Mexico.

Information concerning the net pension liability, pension expense, and pension-related deferred inflows and outflows of resources of the primary government will be contained in the General Fund and the CAFR and will be available, when issued, from the Office of State Controller, Room 166, Bataan Memorial Building, 407 Galisteo Street, Santa Fe, New Mexico, 87501.

***Benefits provided.*** A member's retirement benefit is determined by a formula which includes three component parts: the member's final average salary (FAS), the number of years of service credit, and a 0.0235 multiplier. The FAS is the average of the member's salaries for the last five years of service or any other consecutive five-year period, whichever is greater. A brief summary of Plan coverage provisions follows:

For members employed before July 1, 2010, a member is eligible to retire when one of the following events occurs: the member's age and earned service credit add up to the sum or 75 or more; the member is at least sixty-five years of age and has five or more years of earned service credit; or the member has service credit totaling 25 years or more.

Chapter 288, Laws of 2009 changed the eligibility requirements for new members first employed on or after July 1, 2010. The eligibility for a member who either becomes a new member on or after July 1, 2010, or at any time prior to that date refunded all member contributions and then became, or becomes, reemployed after that date is as follows: the member's age and earned service credit add up to the sum of 80 or more; the member is at least sixty-seven years of age and has five or more years of earned service credit; or the member has service credit totaling 30 years or more.

The benefit is paid as a monthly life annuity with a guarantee that, if the payments made do not exceed the member's accumulated contributions plus accumulated interest, determined as of the date of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary. There are three benefit options available: single life annuity; single life annuity monthly benefit reduced to provide for a 100% survivor's benefit; or single life annuity monthly benefit is reduced to provide for a 50% survivor's benefit.

Retired members and surviving beneficiaries receiving benefits receive an automatic cost of living adjustment (COLA) to their benefit each July 1, beginning in the year the member attains or would have attained age 65 or on July 1 of the year following the member's retirement date, whichever is later. Prior to June 30, 2013 the COLA adjustment was equal to one-half the change in the Consumer Price Index (CPI), except that the COLA shall not exceed 4% nor be less than 2%, unless the change in CPI is less than 2%, in which case, the Cola would equal the change in the CPI, but never less than zero. As of July 1, 2013, for current and future retirees the COLA was immediately reduced until the plan is 100% funded. The COLA reduction was based on the median retirement benefit of all retirees excluding disability retirements.

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**NOTE 10. Pension Plan – Educational Retirement Board (continued)**

Retirees with benefits at or below the median and with 25 or more years of service credit will have a 10% COLA reduction; their average COLA will be 1.8%. All other retirees will have a 20% COLA reduction; their average COLA will be 1.6%. Once the funding is greater than 90%, the COLA reductions will decrease. The retirees with benefits at or below the median and with 25 or more years of service credit will have a 5% COLA reduction; their average COLA will be 1.9%. All other retirees will have a 10% COLA reduction; their average will be 1.8%. Members on disability retirement are entitled to a COLA commencing on July 1 of the third full year following disability retirement. A member on regular retirement who can prove retirement because of a disability may qualify for a COLA beginning July 1 in the third full year of retirement.

A member is eligible for a disability benefit provided (a) he or she has credit for at least 10 years of service, and (b) the disability is approved by ERB. The monthly benefit is equal to 2% of FAS times years of service, but not less than the smaller of (a) one-third of FAS or (b) 2% of FAS times year of service projected to age 60. The disability benefit commences immediately upon the member's retirement. Disability benefits are payable as a monthly life annuity, with a guarantee that, if the payments made do not exceed the member's accumulated contributions, determined as of the date of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary. If the disabled member survives to age 60, the regular optional forms of payment are then applied. A member with five or more years of earned service credit on deferred status may retire on disability retirement when eligible under the Rule of 75 or when the member attains age 65.

**Contributions.** The contribution requirements of plan members and the District are established in state statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. For the fiscal year ended June 30, 2014 employers contributed 13.15% of employees' gross annual salary to the Plan. Employees earning \$20,000 or less contributed 7.90% and employees earning more than \$20,000 contributed 10.10% of their gross annual salary. For fiscal year ended June 30, 2015 employers contributed 13.90%, and employees earning \$20,000 or less continued to contribute 7.90% and employees earning more than \$20,000 contributed an increased amount of 10.70% of their gross annual salary. Contributions to the pension plan from the District were \$2,087,358 for the year ended June 30, 2015.

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**NOTE 10. Pension Plan – Educational Retirement Board (continued)**

*District Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:* The District’s total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2013. The District’s total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014, using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date June 30, 2014. At June 30, 2015, the District reported a liability of \$29,577,358 for its proportionate share of the net pension liability. The District’s share of the net pension liability is based on the employer contributing entity’s percentage of total employer contributions for the fiscal year ended June 30, 2014. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2014, the District’s proportion was .5184 percent, which was a decrease of .0188 from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District’s recognized pension expense of \$1,742,413. At the June 30, 2015, the District’s reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<b>DISTRICT</b>		
	Deferred Outflow of Resources	Deferred Inflows of Resources	Net (Inflows) Outflows
Differences between expected and actual experience		(440,602)	(440,602)
Changes of assumptions			-
Net differences between projected and actual earnings on pension plan investments		(2,688,732)	(2,688,732)
Changes in proportion and differences between Aztec Municipal School District contributions and proportionate share of contributions		(879,182)	(879,182)
Aztec Municipal School District contributions subsequent to measurement date	2,087,358		2,087,358

The amount of \$2,087,358 was reported as deferred outflows of resources related to pensions resulting from the District’s contributions subsequent to the measurement date June 30, 2014 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For year ended June	Deferred Inflows
30,	
2016	\$ (1,130,437)
2017	(1,130,437)
2018	(1,075,446)
2019	(672,196)
	\$ (4,008,516)

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**NOTE 10. Pension Plan – Educational Retirement Board (continued)**

*Mosaic’s Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:* Mosaic’s total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2013. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014, using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date June 30, 2014. At June 30, 2015, Mosaic reported a liability of \$1,651,229 for its proportionate share of the net pension liability. Mosaic’s share of the net pension liability is based on the employer contributing entity’s percentage of total employer contributions for the fiscal year ended June 30, 2014. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2014, the District’s proportion was .02886 percent, which was a increase of .00008 from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, Mosaic recognized pension expense of \$115,589. At the June 30, 2015, Mosaic reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

<b>MOSAIC</b>			
	Deferred Outflow of Resources	Deferred Inflows of Resources	Net (Inflows) Outflows
Differences between expected and actual experience		(24,594)	(24,594)
Changes of assumptions			-
Net differences between projected and actual earnings on pension plan investments		(150,082)	(150,082)
Changes in proportion and differences between Mosaic Charter School contributions and proportionate share of contributions	3,719		3,719
Mosaic Charter School contributions subsequent to measurement date	115,468		115,468

The amount of \$115,468 which was reported as deferred outflows of resources related to pensions resulting from Mosaic’s contributions subsequent to the measurement date June 30, 2014 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For year ended June 30,	Deferred (Inflows) Outflows
2016	\$ (44,776)
2017	(44,776)
2018	(43,906)
2019	(37,499)
	\$ (170,957)



**STATE OF NEW MEXICO**  
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**NOTE 10. Pension Plan – Educational Retirement Board (continued)**

**Actuarial assumptions.** As described above, the total ERB pension liability and net pension liability are based on an actuarial valuation performed as of June 30, 2013. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2014. Specifically, the liabilities measured as of June 30, 2014 incorporate the following assumptions:

1. All members with an annual salary of more than \$20,000 will contribute 10.10% during the fiscal year ending June 30, 2014 and 10.7% thereafter.
2. Members hired after June 30, 2013 will have an actuarially reduced retirement benefit if they retire before age 55 and their COLA will be deferred until age 67.
3. COLAs for most retirees are reduced until ERB attains a 100% funded status.
4. These assumptions were adopted by ERB on April 26, 2013 in conjunction with the six-year experience study period ending June 30, 2012.

For the purposes of projecting future benefits, it is assumed that the full COLA is paid in all future years. The actuarial methods and assumptions used to determine contribution rates included in the measurement are as follows:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Remaining Period	Amortized – closed 30 years from June 30, 2012 to June 30, 2042
Asset Valuation Method	5 year smoothed market for funding valuation (fair value for financial valuation)
Inflation	3.00%
Salary Increases	Composition: 3% inflation, plus 1.25% productivity increase rate, plus step rate promotional increases for members with less than 10 years of service
Investment Rate of Return	7.75%
Retirement Age	Experience based table of age and service rates
Mortality	90% of RP-2000 Combined Mortality Table with White Collar Adjustment projected to 2014 using Scale AA (one year setback for females)

**STATE OF NEW MEXICO**  
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**NOTE 10. Pension Plan – Educational Retirement Board (continued)**

*Actuarial assumptions. (continued)*

The long-term expected rate of return on pension plan investments is determined annually using a building-block approach that includes the following: 1) rate of return projections are the sum of current yield plus projected changes in price (valuation, defaults, etc.), 2) application of key economic projections (inflation, real growth, dividends, etc.), and 3) structural themes (supply and demand imbalances, capital flows, etc.). These items are developed for each major asset class. Best estimates of geometric real rates of return for each major asset class included in the Plan's target asset allocation for 2014 and 2013 for 30-year return assumptions are summarized in the following table:

Asset Class	2014 Long-Term Expected Real Rate of Return	2013 Long-Term Expected Real Rate of Return
Cash	1.50%	0.75%
Treasuries	2.00%	1.00%
IG Corp Credit	3.50%	3.00%
MBS	2.25%	2.50%
Core Bonds	2.53%	2.04%
TIPS	2.50%	1.50%
High Yield Bonds	4.50%	5.00%
Bank Loans	5.00%	5.00%
Global Bonds (Unhedged)	1.25%	0.75%
Global Bonds (Hedged)	1.38%	0.93%
EMD External	5.00%	4.00%
EMD Local Currency	5.75%	5.00%
Large Cap Equities	6.25%	6.75%
Small/Mid Cap	6.25%	7.00%
International Equities (Unhedged)	7.25%	7.75%
International Equities (Hedged)	7.50%	8.00%
Emerging International Equities	9.50%	9.75%
Private Equity	8.75%	9.00%
Private Debt	8.00%	8.50%
Private Real Assets	7.75%	8.00%
Real Estate	6.25%	6.00%
Commodities	5.00%	5.00%
Hedge Funds Low Vol	5.50%	4.75%
Hedge Funds Mod Vol	5.50%	6.50%

*Discount rate:* A single discount rate of 7.75% was used to measure the total ERB pension liability as of June 30, 2014 and June 30, 2013. This single discount rate was based on the expected rate of return on pension plan investments of 7.75%. Based on the stated assumptions and the projection of cash flows, the Plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current pension plan members. Therefore the long term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The projection of cash flows used to determine this single discount rate assumed that Plan contributions will be made at the current statutory levels. Additionally, contributions received through the Alternative Retirement Plan (ARP), ERB's defined contribution plan, are included in the projection of cash flows. ARP contributions are assumed to remain at a level percentage of ERB payroll, where the percentage of payroll is based on the most recent five year contribution history.

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Notes to the Financial Statements  
June 30, 2015

**NOTE 10. Pension Plan – Educational Retirement Board (continued)**

*Actuarial assumptions. (continued)*

**Sensitivity of the District’s and Mosaic’s proportionate share of the net pension liability to changes in the discount rate.** The following table shows the sensitivity of the net pension liability to changes in the discount rate as of the fiscal year end 2014. In particular, the table presents the (employer’s) net pension liability under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

	1% Decrease (6.75%)	Current Discount Rate	1% Increase (8.75 %)
Aztec Municipal School's proportionate share of the net pension liability	40,243,410	29,577,358	20,668,414
Mosaic Charter School's proportionate share of the net pension liability	2,246,690	1,651,229	1,153,685

**Pension plan fiduciary net position.** Detailed information about the ERB’s fiduciary net position is available in the separately issued audited financial statements as of and for June 30, 2014 and 2013 which are publicly available at [www.nmerb.org](http://www.nmerb.org).

**Payables to the pension plan.** The District has no outstanding liability to the pension plan at June 30, 2015 as all amounts owed were paid by year-end.

**NOTE 11. Post-Employment Benefits – State Retiree Health Care Plan**

**Plan Description.** The District contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies. Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person’s behalf unless that person retires before the employer’s RHCA effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer’s effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

**Funding Policy.** The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer’s RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at [www.nmrhca.state.nm.us](http://www.nmrhca.state.nm.us).

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2015, the statute required each participating employer to contribute 2.0% of each participating employee’s annual salary; each

**STATE OF NEW MEXICO**  
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 Notes to the Financial Statements  
 June 30, 2015

**NOTE 11. Post-Employment Benefits – State Retiree Health Care Plan**

*Funding Policy* (continued)

participating employee was required to contribute 1.007% of their salary. In fiscal year ending June 30, 2015 the contribution rates for employees and employers will be:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY15	2.000%	1.000%

Also, employers joining the program after 1/1/98 are required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

The RHCA plan is financed on a pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the contributions can be changed by the New Mexico State Legislature. The District’s contributions to the RHCA for the years ended June 30, 2015, 2014, and 2013 were \$300,327, \$285,786, and \$291,222, respectively, which equal the required contribution for each year.

**NOTE 12. Contingent Liabilities**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amount, if any, to be immaterial.

The District is involved in various claims and lawsuits arising in the normal course of business. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District’s legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the District.

**NOTE 13. Joint Powers Agreements**

**Northeast San Juan County Family Center Educational Phase**

Participants – Aztec Municipal School  
 City of Aztec  
 San Juan Junior College District

Responsible party – All participants

Description – The property deeded to the San Juan College and the District by the City of Aztec shall be operated by the parties in a manner designed to facilitate the most efficient, cost-effective use in order to maximize the benefits of the property to the residents of the City.

Begin date – July 25, 2005

Ending date – Until notified

Estimated amount of project – Unknown

Amount contributed – None

Fiscal agent – Not applicable

**Tiger Sports Complex East**

Participants – Aztec Municipal School  
 City of Aztec

Responsible party – All participants

Description – To provide maintenance, upkeep, and governance of Tiger Sports Complex East.

Begin date – June 23, 2009

Ending date – June 30, 2019

Estimated amount of project – Unknown

Amount contributed – None

Fiscal agent – The District shall be designated as the fiscal agent for construction of propane, telephone, supplies, vandalism, and technology service and use. The City shall be designated as the fiscal agent for utility services.

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Notes to the Financial Statements  
June 30, 2015

**NOTE 14. Subsequent Events**

The date to which events occurring after June 30, 2015, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosures is November 5, 2015 which is the date on which the financial statements were available to be issued. No events took place subsequent to year end.

**NOTE 15. Concentrations**

The District depends on financial resources flowing from, or associated with, both the federal government and the state of New Mexico. Because of this dependency, the District is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and state laws and federal and state appropriations.

**NOTE 16. Restatement – Change in Accounting Principle**

During the year ended June 30, 2015, there was a restatement in the District's financial statements resulting in a reduction in net position in the amount of (31,843,461). This is due to the implementation of GASB 68 and GASB 71. This amount was derived from the District's proportionate share of the beginning net pension liability of \$(29,577,358) and the net effect of deferred inflows and outflows less the 2014 contributions to the pension plan in the amount (2,266,103).

During the year ended June 30, 2015, there was a restatement in Mosaic's financial statements resulting in a reduction in net position in the amount of (1,706,622). This is due to the implementation of GASB 68 and GASB 71. This amount was derived from Mosaic's proportionate share of the beginning net pension liability of (\$1,651,254) and the net effect of deferred inflows and outflows less the 2014 contributions to the pension plan in the amount (55,368).

**NOTE 17. Subsequent Pronouncements**

In February 2015, GASB Statement No. 72 *Fair Value Measurement and Application*, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2015. The District will implement this standard during the fiscal year ended June 30, 2016. The District is still evaluating how this pronouncement will affect the financial statements.

In June 2015, GASB Statement No.73 *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, was issued. Effective Date: The provisions of this statement are effective for financial statements for periods beginning after June 15, 2016. The District is still evaluating how this pronouncement will affect the financial statements.

In June 2015, GASB Statement No.75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was issued. Effective Date: The provisions of this statement are effective for financial statements for periods beginning after June 15, 2017. The District expects this pronouncement to have a material effect on the financial statements.

In June 2015, GASB Statement No.76 *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, was issued. Effective Date: The provisions of this statement are effective for financial statements for periods beginning after June 15, 2016. The District expects this pronouncement to have a material effect on the financial statements.

In August 2015, GASB Statement No.77 *Tax Abatement Disclosures*, was issued. Effective Date: The provisions of this statement are effective for financial statements for periods beginning after December 15, 2015. The District will implemented this standard during the fiscal year ended June 30, 2017. The District is evaluating how this pronouncement will affect the financial statements.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Schedule of Proportionate Share of the Net Pension Liability  
Educational Retirement Board (ERB) Pension Plan  
Last 10 Fiscal Years\*

	2015
Aztec Municipal Schools' proportion of the net pension liability (asset)	0.5184%
Aztec Municipal Schools' proportionate share of the net pension liability (asset)	\$ 29,577,358
Aztec Municipal Schools' covered-employee payroll	\$ 14,288,535
Aztec Municipal Schools' proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	207%
Plan fiduciary net position as a percentage of the total pension liability	66.34%

Mosaic Charter School  
Schedule of Proportionate Share of the Net Pension Liability  
Educational Retirement Board (ERB) Pension Plan  
Last 10 Fiscal Years\*

	2015
Mosaic Charter School's proportion of the net pension liability (asset)	0.02894%
Mosaic Charter School's proportionate share of the net pension liability (asset)	\$ 1,651,229
Mosaic Charter School's covered-employee payroll	\$ 797,569
Mosaic Charter School's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	207%
Plan fiduciary net position as a percentage of the total pension liability	66.34%

\* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, Aztec Municipal Schools will present information for those years for which information is available.

See independent auditor's report  
See notes to required supplementary information

**STATE OF NEW MEXICO**  
**Aztec Municipal Schools**  
**Schedule of Contributions**  
**Educational Retirement Board (ERB) Pension Plan**  
**Last 10 Fiscal Years\***

	2015
Contractually required contribution	2,088,806
Contributions in relation to the contractually required contribution	2,088,806
Contribution deficiency (excess)	\$ -
Aztec Municipal Schools covered-employee payroll	15,028,014
Contribution as a percentage of covered-employee payroll	13.90%

**Mosaic Charter School**  
**Schedule of Contributions**  
**Educational Retirement Board (ERB) Pension Plan**  
**Last 10 Fiscal Years\***

	2015
Contractually required contribution	\$ 115,468
Contributions in relation to the contractually required contribution	115,468
Contribution deficiency (excess)	\$ -
Mosaic Charter School covered-employee payroll	830,698
Contribution as a percentage of covered-employee payroll	13.90%

\* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, Aztec Municipal Schools will present information for those years for which information is available.



**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Notes to Required Supplementary Information  
June 30, 2015

*Changes of benefit terms.*

The COLA and retirement eligibility benefits changes in recent years are described in the Benefits Provided subsection of the financial statement note disclosure Pension Plan – Educational Retirement Board, General Information on the Pension Plan.

*Changes of assumptions.*

Per the ERB FY14 annual audit Management Discussion and Analysis, ERB conducts an actuarial experience study every two years. The actuarial experience study, presented to the Board of Trustees on April 26, 2013, compiled data for the six-year period ending June 30, 2013.

1. Fiscal year 2014 and 2013 valuation assumptions that changed based on this study:
  - a. Lower wage inflation from 4.75% to 4.25%
  - b. Lower payroll growth from 3.75% to 3.50%
  - c. Minor changes to demographic assumptions
  - d. Population growth per year from 0.75% to 0.50%
2. Assumptions that were not changed:
  - a. Investment return will remain at 7.75%
  - b. Inflation will remain at 3.00%

See also the *Actuarial Assumptions* subsection of the financial statement note disclosure *Pension Plan – Educational Retirement Board, General Information on the Pension Plan*

## **SUPPLEMENTARY INFORMATION**

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Non-Major Fund Descriptions  
June 30, 2015

**SPECIAL REVENUE FUNDS**

**Food Services (21000)** – This fund is utilized to account for federal and local sources of income relating to the food service programs. The Cafeteria Fund is segregated into two categories, one being the federal funds and the other being Non-Federal funds. Federal funds consist of National School Lunch Program, which is administered by the State of New Mexico for the purpose of making breakfast and lunch available to all school children and to encourage the domestic consumption of agricultural commodities and other food components. Authority for the creation of this fund is NMSA 22-13-13.

**Athletics (22000)** – This fund is used to account for fees generated at athletic activities throughout the District. The gate receipts are obtained from the general public and are expended in this fund. The authority for creation of this fund is 6.20.2 NMAC.

**Title I IASA (24101)** – The major objectives of the Title I program are to provide supplemental educational opportunity for academically disadvantaged children in the area of residing. Campuses are identified for program participation by the percentage of students on free or reduced price lunches. Any school with a free and reduced price lunch percentage that is equal to or greater than the total district percentage becomes eligible for program participation. Any student whose test scores fall below District established criteria and who is attending a Title I campus is eligible to receive Title I services. Poverty is the criteria that identify a campus; educational need determines the students to be served. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Public Education Department. Authority for creation of this fund is Part A of Chapter I of Title I of Elementary and Secondary Education Act (ESEA) of 1965, as amended, Public Law 103-383.

**Pre-school IDEA-B (24109)** – The objective of the Assistance to States for the Education of Handicapped Children Program is to assist in providing free, appropriate public education to all handicapped children from ages three to five. Federal revenues accounted for in this fund are allocated to the Schools through the New Mexico Department of Children, Youth and Families. Authority for creation of this fund is Public Law 105-17.

**IDEA-B “Risk” Pool (24120)** – To account for federal funds provided to assist the District in providing free appropriate public education to all handicapped children. Program funding authorized by Individuals with Disabilities Education Act, Part B, Section 611 620, as amended, Public Laws 91 230, 93 380, 94 142, 98 199, 99 457, 100 639, and 101 476, 20 U.S.C. 1411 1420.

**Title II-A Teacher/Principal Training & Recruiting (24154)** – To improve the skills of teachers and the quality of instruction in mathematics and science and also to increase the accessibility of such instruction to all students. Authority for creation of this fund is the Rehabilitation Act of 1973, as amended, Title III, Section 303(b)-(d). 20 U.S.C. 777a and 797a.

**Carl Perkins (24174)** - The objective of this grant is to provide secondary educational institutions the opportunity to develop, implement, and operate programs using different models of curricula that integrate vocational and academic learning. Funds are acquired from federal sources through the New Mexico Department of Education. This program is authorized by the Carl D. Perkins Career and Technical Education Act of 2006.

**Carl Perkins – Secondary Distribution (24176)** - The objective of this grant is to provide secondary educational institutions the opportunity to develop, implement, and operate programs using different models of curricula that integrate vocational and academic learning. Funds are acquired from federal sources through the New Mexico Department of Education. This program is authorized by the Carl D. Perkins Career and Technical Education Act of 2006. Distribution of Carl Perkins funds previously distributed are tracked in this fund.

**Johnson O'Malley (25131)** - To account for grant funds (through the Navajo Nation) to be used to fulfill the needs of Indian students. The funding authority is The Navajo Nation Department of Education. PL93-638 and PL100-427.

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Non-Major Fund Descriptions  
June 30, 2015

**Indian Education Formula Grant (25184)** - To account for a program funded by a Federal grant to develop and carry out supplementary elementary and secondary school programs designed to meet the special educational and culturally related academic needs of Indian children, for example to: 1) Improve academic performance, 2) Reduce school dropout rates and improve attendance, and 3) Integrate the value of cultural education into the school curriculum for Indian children. Funding authorized by Indian Education Act of 1988, Title V, Part C, Subpart 1, as amended, Public Law 100-297 and 93-638, 25 U.S.C. 2601-2606.

**BP Educational Grants (26150)** - To account for funds received from the British Petroleum supporting educational projects/activities. Authority for the creation of this fund is the New Mexico Public Education Department.

**Conoco Phillips Education Grants (26200)** – To account for funds received from Conoco Phillips supporting educational projects/activities. Authority for the creation of this fund is the New Mexico Public Education Department.

**Dual Credit Instructional Materials (27103)** - SB943 (2007) and SB31 (2008) create a dual credit program that allows public high school students in school districts, charter schools and state-supported schools in the state to earn both high school and college credit for qualifying dual credit courses. Authority for the creation of this fund is the New Mexico Public Education Department.

**2010 G.O. Bond Student Library (27106)** - Must be used to fund each library facility for improvement or acquisition and to acquire library books and library resources to support the library program. Authority for the creation of this fund is the New Mexico Public Education Department.

**2012 G.O. Bond Student Library (27107)** - Must be used to fund each library facility for improvement or acquisition and to acquire library books and library resources to support the library program. Authority for the creation of this fund is the New Mexico Public Education Department.

**Instructional Materials Adoption Support (27113)** – To account for financial activity associated with contract between the New Mexico Public Education Department supporting the annual review of instructional material submitted to the New Mexico Public Education Department for acceptance for use in the public schools in New Mexico.

**NM Reads to Lead K-3 (27114)** – To account for funds provided by the New Mexico Public Education Department to support legislative initiative to improve reading in grades K-3.

**Indian Education Act (27150)** – To account for funds provided by New Mexico Public Education Department to address the needs of American Indian students to ensure improved academic performance and closing of the achievement gap.

**2013 School Bus Purchase (27178)** - To account for funds provided by New Mexico Public Education Department to purchase school buses.

**“STEM” Teacher Initiative (27181)** - To account for funds provided by the New Mexico Public Education Department to assist with the recruitment and retention of teachers in “hard to staff” content areas.

**New Mexico Farm Grown Vegetables (27183)** - To account for funds provided by New Mexico Public Education Department to purchase New Mexico locally grown fresh fruits and vegetables for school meal programs.

**Next Generation Assessments (27185)** - To account for funds provided by the New Mexico Public Education Department to remediate deficiencies in computer devices compliant with the Partnership for Assessment of Readiness for College and Career assessment requirements.

**Parent Advocacy Project (27193)** – To account for funds distributed by the New Mexico Public Education Department to help develop a student-parent portal or request reimbursement for an existing student-parent portal.

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Non-Major Fund Descriptions  
June 30, 2015

**NM Youth Conservation (28133)** - To account for a program funded by the New Mexico Youth Conservation Corps supporting the education, success and well-being of the youth of New Mexico through the conservation and enhancement of the state's natural resources and lasting community benefits. Authority for the creation of this fund is the New Mexico Public Education Department.

**Medicaid Support - HSD (28144)** – To assist schools in offering key health and health-related services that are designed to integrate and maintain active learning for Medicaid-eligible children with disabilities and special health care needs.

**City and County Grants – (29107)** – To account for an “Unsung Heroes Award” distributed by VOYA in support of educational programs at Koogler Middle School.

**NON-MAJOR GOVERNMENT FUNDS**

**STATE OF NEW MEXICO**  
**Aztec Municipal Schools**  
**Non-Major Governmental Funds**  
**Combining Balance Sheet**  
**As of June 30, 2015**

**SPECIAL REVENUE**

	<b>Fund 21000</b>	<b>Fund 22000</b>	<b>Fund 24101</b>	<b>Fund 24109</b>	<b>Fund 24120</b>	<b>Fund 24154</b>	<b>Fund 24174</b>
	<b>Food Services</b>	<b>Athletics</b>	<b>Title I IASA</b>	<b>Preschool IDEA-B</b>	<b>IDEA-B "Risk Pool"</b>	<b>Title II-A Teacher Training</b>	<b>Carl Perkins</b>
<b>ASSETS</b>							
Assets:							
Cash	\$ 425,806	\$ 77,471	\$ -	\$ -	\$ -	\$ -	\$ -
Due from grantor	3,003	-	188,794	4,916	690	66,973	6,190
Due from other funds	-	-	-	-	-	-	-
Other receivable	-	-	-	-	-	-	-
Inventory	14,406	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 443,215</b>	<b>\$ 77,471</b>	<b>\$ 188,794</b>	<b>\$ 4,916</b>	<b>\$ 690</b>	<b>\$ 66,973</b>	<b>\$ 6,190</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>							
Liabilities:							
Accounts payable	\$ 11,263	\$ -	\$ -	\$ 8	\$ -	\$ -	\$ -
Accrued salaries and benefits	51	-	14,017	16	-	5,630	-
Due to other funds	-	-	174,573	4,892	690	61,343	6,190
<b>Total liabilities</b>	<b>11,314</b>	<b>-</b>	<b>188,590</b>	<b>4,916</b>	<b>690</b>	<b>66,973</b>	<b>6,190</b>
Deferred inflows of resources							
Unavailable Revenue	-	-	-	9	-	66,973	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>-</b>	<b>66,973</b>	<b>-</b>
Fund balances							
Nonspendable							
Inventory	14,406	-	-	-	-	-	-
Spendable							
Restricted for:							
Education	-	-	-	-	-	-	-
Food service operations	417,495	-	-	-	-	-	-
Capital acquisitions and improvements	-	-	-	-	-	-	-
Debt Services	-	-	-	-	-	-	-
Committed for:							
Emergency Reserves	-	-	-	-	-	-	-
Subsequent years expenditures	-	77,471	204	-	-	-	-
Unassigned	-	-	-	(9)	-	(66,973)	-
General fund	-	-	-	-	-	-	-
<b>Total fund balance</b>	<b>431,901</b>	<b>77,471</b>	<b>204</b>	<b>(9)</b>	<b>-</b>	<b>(66,973)</b>	<b>-</b>
<b>Total liabilities, deferred resources and fund balance</b>	<b>\$ 443,215</b>	<b>\$ 77,471</b>	<b>\$ 188,794</b>	<b>\$ 4,916</b>	<b>\$ 690</b>	<b>\$ 66,973</b>	<b>\$ 6,190</b>

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Non-Major Governmental Funds  
Combining Balance Sheet  
As of June 30, 2015

**SPECIAL REVENUE**

	<b>Fund 24176</b>	<b>Fund 25131</b>	<b>Fund 25184</b>	<b>Fund 26150</b>	<b>Fund 26200</b>	<b>Fund 27103</b>	<b>Fund 27113</b>
	<b>Carl Perkins Redistribution</b>	<b>Johnson O'Malley</b>	<b>Indian Education Formula</b>	<b>BP Educational</b>	<b>Conoco Phillips</b>	<b>Dual Credit Instructional Materials</b>	<b>Instructional Material Adoption Support</b>
<b>ASSETS</b>							
Assets:							
Cash	\$ -	\$ -	\$ 1,048	\$ 54,223	\$ 11,689	\$ -	\$ -
Due from grantor	2,278	6,263	-	1,334	23,395	600	180,251
Due from other funds	-	-	-	-	-	-	-
Other receivable	225	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Total assets	<u>\$ 2,503</u>	<u>\$ 6,263</u>	<u>\$ 1,048</u>	<u>\$ 55,557</u>	<u>\$ 35,084</u>	<u>\$ 600</u>	<u>\$ 180,251</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>							
Liabilities:							
Accounts payable	\$ 60	\$ 19	\$ -	\$ -	\$ -	\$ 20	\$ -
Accrued salaries and benefits	-	345	1,048	-	-	-	378
Due to other funds	2,443	5,899	-	-	-	580	160,572
Total liabilities	<u>2,503</u>	<u>6,263</u>	<u>1,048</u>	<u>-</u>	<u>-</u>	<u>600</u>	<u>160,950</u>
Deferred inflows of resources							
Unavailable Revenue	<u>2,278</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20</u>	<u>-</u>
Total deferred inflows of resources	<u>2,278</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20</u>	<u>-</u>
Fund balances							
Nonspendable							
Inventory	-	-	-	-	-	-	-
Spendable							
Restricted for:							
Education	-	-	-	-	-	-	-
Food service operations	-	-	-	-	-	-	-
Capital acquisitions and improvements	-	-	-	-	-	-	-
Debt Services	-	-	-	-	-	-	-
Committed for:							
Emergency Reserves	-	-	-	-	-	-	-
Subsequent years expenditures	-	-	-	55,557	11,689	-	19,301
Unassigned	(2,278)	-	-	-	23,395	(20)	-
General fund	-	-	-	-	-	-	-
Total fund balance	<u>(2,278)</u>	<u>-</u>	<u>-</u>	<u>55,557</u>	<u>35,084</u>	<u>(20)</u>	<u>19,301</u>
Total liabilities, deferred resources and fund balance	<u>\$ 2,503</u>	<u>\$ 6,263</u>	<u>\$ 1,048</u>	<u>\$ 55,557</u>	<u>\$ 35,084</u>	<u>\$ 600</u>	<u>\$ 180,251</u>



**STATE OF NEW MEXICO**  
**Aztec Municipal Schools**  
**Non-Major Governmental Funds**  
**Combining Balance Sheet**  
**As of June 30, 2015**

**SPECIAL REVENUE**

	<u>Fund 27114</u>	<u>Fund 27150</u>	<u>Fund 27181</u>	<u>Fund 27193</u>	<u>Fund 28133</u>	<u>Fund 28144</u>	<u>Totals</u>
	<u>NM Reads To Lead K-3</u>	<u>Indian Education Act</u>	<u>STEM Teacher Initiative</u>	<u>Parent Advocacy Program</u>	<u>NM Youth Conservation</u>	<u>Medicaid Support HSD</u>	
<b>ASSETS</b>							
Assets:							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,193	\$ 820,430
Due from grantor	46,294	24,986	7,562	5,994	44,375	33,183	647,081
Due from other funds	-	-	-	-	-	-	-
Other receivable	-	-	-	-	-	-	225
Inventory	-	-	-	-	-	-	14,406
Total assets	<u>\$ -</u>	<u>\$ 24,986</u>	<u>\$ 7,562</u>	<u>\$ 5,994</u>	<u>\$ 44,375</u>	<u>\$ 283,376</u>	<u>\$ 1,482,142</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 403	\$ 11,773
Accrued salaries and benefits	89	-	82	-	1,082	8,173	30,911
Due to other funds	46,205	24,986	7,480	5,994	43,267	-	545,114
Total liabilities	<u>46,294</u>	<u>24,986</u>	<u>7,562</u>	<u>5,994</u>	<u>44,349</u>	<u>8,576</u>	<u>587,798</u>
Deferred inflows of resources							
Unavailable Revenue	-	-	-	-	-	-	69,280
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,280</u>
Fund balances							
Nonspendable							
Inventory	-	-	-	-	-	-	14,406
Spendable							
Restricted for:							
Education	-	-	-	-	-	-	-
Food service operations	-	-	-	-	-	-	417,495
Capital acquisitions and improvements	-	-	-	-	-	-	-
Debt Services	-	-	-	-	-	-	-
Committed for:							
Emergency Reserves	-	-	-	-	-	-	-
Subsequent years expenditures	-	-	-	-	-	144,000	308,222
Unassigned	-	-	-	-	26	130,800	84,941
General fund	-	-	-	-	-	-	-
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26</u>	<u>274,800</u>	<u>825,064</u>
Total liabilities, deferred resources and fund balance	<u>\$ 46,294</u>	<u>\$ 24,986</u>	<u>\$ 7,562</u>	<u>\$ 5,994</u>	<u>\$ 44,375</u>	<u>\$ 283,376</u>	<u>\$ 1,482,142</u>

**STATE OF NEW MEXICO**  
**Aztec Municipal Schools**  
**Non-Major Governmental Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended June 30, 2015**

	<b>SPECIAL REVENUE</b>				
	<b>Fund 21000</b>	<b>Fund 22000</b>	<b>Fund 24101</b>	<b>Fund 24109</b>	<b>Fund 24120</b>
	<b>Food Services</b>	<b>Athletics</b>	<b>Title I IASA</b>	<b>Preschool IDEA-B</b>	<b>IDEA-B "Risk Pool"</b>
Revenues:					
Federal grants	\$ 1,030,377	\$ -	\$ 404,271	\$ 18,820	\$ 690
State grants	-	-	-	-	-
Local sources:					
Local grants	-	-	-	-	-
Charges for services	359,315	95,129	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>1,389,692</u>	<u>95,129</u>	<u>404,271</u>	<u>18,820</u>	<u>690</u>
Expenditures:					
Current:					
Instruction	-	115,005	257,955	17,214	690
Support services - students	-	-	-	697	-
Support services - instruction	-	-	76,158	-	-
Support services - general administration	-	-	17,409	910	-
Support services - school administration	-	-	52,530	-	-
Central services	-	-	-	-	-
Student transportation	-	-	214	-	-
Food services	1,369,956	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>1,369,956</u>	<u>115,005</u>	<u>404,266</u>	<u>18,821</u>	<u>690</u>
Revenues over (under) expenditures	<u>19,736</u>	<u>(19,876)</u>	<u>5</u>	<u>(1)</u>	<u>-</u>
Other financing sources (Uses):					
Operating transfers in	-	50,000	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in fund balance	19,736	30,124	5	(1)	-
Fund balance - beginning of year	<u>412,165</u>	<u>47,347</u>	<u>199</u>	<u>(8)</u>	<u>-</u>
Adjustments and residual equity transfers	-	-	-	-	-
Fund balance - beginning of year	<u>412,165</u>	<u>47,347</u>	<u>199</u>	<u>(8)</u>	<u>-</u>
Fund balance - end of year	<u>\$ 431,901</u>	<u>\$ 77,471</u>	<u>\$ 204</u>	<u>\$ (9)</u>	<u>\$ -</u>

**STATE OF NEW MEXICO**  
**Aztec Municipal Schools**  
**Non-Major Governmental Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended June 30, 2015**

	<b>SPECIAL REVENUE</b>				
	<b>Fund 24154</b>	<b>Fund 24174</b>	<b>Fund 24176</b>	<b>Fund 25131</b>	<b>Fund 25184</b>
	<b>Title II-A Teacher Training</b>	<b>Carl Perkins</b>	<b>Carl Perkins Redistribution</b>	<b>Johnson O'Malley</b>	<b>Indian Education Formula</b>
Revenues:					
Federal grants	\$ 31,907	\$ 18,107	\$ -	\$ 25,190	\$ 90,019
State grants	-	-	-	-	-
Local sources:					
Local grants	-	-	-	-	-
Charges for services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>31,907</u>	<u>18,107</u>	<u>-</u>	<u>25,190</u>	<u>90,019</u>
Expenditures:					
Current:					
Instruction	98,551	18,107	2,278	10,352	54,893
Support services - students	-	-	-	13,751	16,874
Support services - instruction	-	-	-	-	-
Support services - general administration	330	-	-	1,084	4,051
Support services - school administration	-	-	-	-	14,201
Central services	-	-	-	-	-
Student transportation	-	-	-	-	-
Food services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>98,881</u>	<u>18,107</u>	<u>2,278</u>	<u>25,187</u>	<u>90,019</u>
Revenues over (under) expenditures	<u>(66,974)</u>	<u>-</u>	<u>(2,278)</u>	<u>3</u>	<u>-</u>
Other financing sources (Uses):					
Operating transfers in	-	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in fund balance	(66,974)	-	(2,278)	3	-
Fund balance - beginning of year	<u>1</u>	<u>-</u>	<u>-</u>	<u>(3)</u>	<u>-</u>
Adjustments and residual equity transfers	-	-	-	-	-
Fund balance - beginning of year	<u>1</u>	<u>-</u>	<u>-</u>	<u>(3)</u>	<u>-</u>
Fund balance - end of year	\$ <u><u>(66,973)</u></u>	\$ <u><u>-</u></u>	\$ <u><u>(2,278)</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

**STATE OF NEW MEXICO**  
**Aztec Municipal Schools**  
**Non-Major Governmental Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended June 30, 2015**

	<b>SPECIAL REVENUE</b>				
	<b>Fund 26150</b>	<b>Fund 26200</b>	<b>Fund 27103</b>	<b>Fund 27107</b>	<b>Fund 27113</b>
	<b>BP Educational</b>	<b>Conoco Phillips</b>	<b>Dual Credit Instructional Materials</b>	<b>2012 GO Bond Library</b>	<b>Instructional Material Adoption Support</b>
Revenues:					
Federal grants	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	-	-	3,869	21,888	180,251
Local sources:					
Local grants	42,343	23,395	-	-	-
Charges for services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>42,343</u>	<u>23,395</u>	<u>3,869</u>	<u>21,888</u>	<u>180,251</u>
Expenditures:					
Current:					
Instruction	16,479	40,538	3,889	-	-
Support services - students	-	-	-	-	-
Support services - instruction	-	-	-	8,309	-
Support services - general administration	1,166	-	-	-	-
Support services - school administration	-	-	-	-	-
Central services	-	-	-	-	180,680
Student transportation	-	-	-	-	-
Food services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>17,645</u>	<u>40,538</u>	<u>3,889</u>	<u>8,309</u>	<u>180,680</u>
Revenues over (under) expenditures	<u>24,698</u>	<u>(17,143)</u>	<u>(20)</u>	<u>13,579</u>	<u>(429)</u>
Other financing sources (Uses):					
Operating transfers in	-	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in fund balance	24,698	(17,143)	(20)	13,579	(429)
Fund balance - beginning of year	<u>30,859</u>	<u>52,227</u>	<u>-</u>	<u>(13,579)</u>	<u>19,730</u>
Adjustments and residual equity transfers	-	-	-	-	-
Fund balance - beginning of year	<u>30,859</u>	<u>52,227</u>	<u>-</u>	<u>(13,579)</u>	<u>19,730</u>
Fund balance - end of year	<u>\$ 55,557</u>	<u>\$ 35,084</u>	<u>\$ (20)</u>	<u>\$ -</u>	<u>\$ 19,301</u>

**STATE OF NEW MEXICO**  
**Aztec Municipal Schools**  
**Non-Major Governmental Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended June 30, 2015**

	<b>SPECIAL REVENUE</b>				
	<b>Fund 27114</b>	<b>Fund 27150</b>	<b>Fund 27178</b>	<b>Fund 27181</b>	<b>Fund 27183</b>
	<b>NM Reads To Lead K-3</b>	<b>Indian Education Act</b>	<b>2013 School Bus Purchase</b>	<b>STEM Teacher Initiative</b>	<b>New Mexico Farm Grown Vegetables</b>
Revenues:					
Federal grants	\$ -	\$ -	\$ -	\$ -	-
State grants	129,999	24,986	439,245	28,856	3,635
Local sources:					
Local grants	-	-	-	-	-
Charges for services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	129,999	24,986	439,245	28,856	3,635
Expenditures:					
Current:					
Instruction	43,078	-	-	28,856	-
Support services - students	-	15,576	-	-	-
Support services - instruction	86,299	9,094	-	-	-
Support services - general administration	-	-	-	-	-
Support services - school administration	-	-	-	-	-
Central services	-	316	-	-	-
Student transportation	-	-	439,245	-	-
Food services	-	-	-	-	3,635
Capital outlay	-	-	-	-	-
Total expenditures	129,377	24,986	439,245	28,856	3,635
Revenues over (under) expenditures	622	-	-	-	-
Other financing sources (Uses):					
Operating transfers in	-	-	-	-	-
Net other financing sources (uses)	-	-	-	-	-
Net Change in fund balance	622	-	-	-	-
Fund balance - beginning of year	(622)	-	-	-	-
Adjustments and residual equity transfers	-	-	-	-	-
Fund balance - beginning of year	(622)	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -	-

**STATE OF NEW MEXICO**  
**Aztec Municipal Schools**  
**Non-Major Governmental Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended June 30, 2015**

	<b>SPECIAL REVENUE</b>				<b>TOTAL</b>
	<b>Fund 27193 Parent Advocacy Program</b>	<b>Fund 28133 NM Youth Conservation</b>	<b>Fund 28144 Medicaid Support HSD</b>	<b>Fund 29107 City/County Grants</b>	
Revenues:					
Federal grants	\$ -	\$ -	\$ -	\$ -	1,619,381
State grants	5,994	116,592	210,312	-	1,165,627
Local sources:					
Local grants	-	-	-	12,000	77,738
Charges for services	-	-	-	-	454,444
Miscellaneous	-	-	-	-	-
Total revenues	<u>5,994</u>	<u>116,592</u>	<u>210,312</u>	<u>12,000</u>	<u>3,317,190</u>
Expenditures:					
Current:					
Instruction	5,994	116,596	-	12,000	842,475
Support services - students	-	-	126,203	-	173,101
Support services - instruction	-	-	-	-	179,860
Support services - general administration	-	-	-	-	24,950
Support services - school administration	-	-	47,785	-	114,516
Central services	-	-	-	-	180,996
Student transportation	-	-	-	-	439,459
Food services	-	-	-	-	1,373,591
Capital outlay	-	-	-	-	-
Total expenditures	<u>5,994</u>	<u>116,596</u>	<u>173,988</u>	<u>12,000</u>	<u>3,328,948</u>
Revenues over (under) expenditures	<u>-</u>	<u>(4)</u>	<u>36,324</u>	<u>-</u>	<u>(11,758)</u>
Other financing sources (Uses):					
Operating transfers in	-	-	-	-	50,000
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
Net Change in fund balance	-	(4)	36,324	-	38,242
Fund balance - beginning of year	-	30	238,476	-	786,822
Adjustments and residual equity transfers	-	-	-	-	-
Fund balance - beginning of year	-	30	238,476	-	786,822
Fund balance - end of year	<u>\$ -</u>	<u>\$ 26</u>	<u>\$ 274,800</u>	<u>\$ -</u>	<u>\$ 825,064</u>

**BUDGETARY BASIS STATEMENTS**

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Fund 21000 - Food Services - Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Federal Sources:				
Direct Federal Grants	\$ 925,000	\$ 925,000	\$ 933,534	\$ 8,534
Donated Commodities	-	-	96,843	96,843
Total Federal Sources	925,000	925,000	1,030,377	105,377
Local Sources:				
Prior Year Voided Checks	-	-	-	-
Investment Income	-	-	-	-
Fees - Adults	14,000	14,000	14,993	993
Fees - Students	200,000	200,000	277,932	77,932
Fees - Other Services	61,000	61,000	63,387	2,387
Total Local Sources	275,000	275,000	356,312	81,312
Total Revenues	1,200,000	1,200,000	1,386,689	186,689
Expenditures:				
Education, Current:				
Food Services	1,398,570	1,557,930	1,318,864	239,066
Revenues Over (Under) Expenditures	\$ (198,570)	\$ (357,930)	\$ 67,825	\$ 425,755
Other Financing Sources (Uses)				
Cash budgeted from prior year	198,570	357,930		
Operating Transfers and Adjustments				
<b>Net change in fund balances (Budget Basis)</b>			\$ 67,825	
Fund Balances - beginning of year (adjusted)			357,930	
Fund Balances - end of year			425,755	
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<i>Net change in fund balance (Budget Basis)</i>			67,825	
<i>Accrued Revenues</i>			3,003	
<i>Accrued Expenditures</i>			(51,092)	
<i>Net change in fund balances (GAAP Basis)</i>			\$ 19,736	



**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Fund 22000 - Athletics - Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Local Sources:				
Fees - Activities	\$ 75,000	\$ 75,000	\$ 95,129	\$ 20,129
Prior Year Voided Checks	-	-	-	-
Investment Income	-	-	-	-
Total Revenues	75,000	75,000	95,129	20,129
Expenditures:				
Education, Current:				
Instruction	145,195	122,347	115,005	7,342
Revenues Over (Under) Expenditures	\$ (70,195)	\$ (47,347)	\$ (19,876)	\$ 27,471
Other Financing Sources (Uses)				
Cash budgeted from prior year	70,195	47,347		
Operating Transfers and Adjustments			\$ 50,000	
<b>Net change in fund balances (Budget Basis)</b>			30,124	
Fund Balances - beginning of year (adjusted)			97,347	
Fund Balances - end of year			\$ 127,471	
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
Net change in fund balance (Budget Basis)			30,124	
Accrued Revenues			-	
Accrued Expenditures			-	
Net change in fund balances (GAAP Basis)			\$ 30,124	

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Fund 24101 - Title I IASA - Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues:</b>				
Investment Income	\$ -	\$ -	\$ -	-
Federal Sources	350,373	490,376	357,232	(133,144)
Total Revenues	350,373	490,376	357,232	(133,144)
<b>Expenditures:</b>				
Education, Current:				
Instruction	268,459	344,059	257,955	86,104
Support Services - Instruction	-	46,403	76,158	(29,755)
Support Services - General Administration	-	18,000	17,409	591
Support Services - School Administration	81,914	81,914	52,536	29,378
Support Services - Central Services	-	-	-	-
Operations and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	214	(214)
Community Services	-	-	-	-
Total Expenditures	350,373	490,376	404,272	86,104
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ (47,040)	\$ (47,040)
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments				
<b>Net change in fund balances (Budget Basis)</b>			\$ (47,040)	
Fund Balances - beginning of year (adjusted)			(141,550)	
Fund Balances - end of year			(188,590)	
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<i>Net change in fund balance (Budget Basis)</i>			(47,040)	
<i>Accrued Revenues</i>			47,039	
<i>Accrued Expenditures</i>			6	
<b>Net change in fund balances (GAAP Basis)</b>			5	

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Fund 24109 - Pre-School IDEA-B - Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues:</b>				
Prior Year Voided Checks	\$ -	\$ -	\$ -	-
Federal Sources	22,000	44,762	18,237	(26,525)
Total Revenues	22,000	44,762	18,237	(26,525)
<b>Expenditures:</b>				
Education, Current:				
Instruction	12,000	26,119	17,214	8,905
Support Services - Students	10,000	7,513	697	6,816
Support Services - General Administration	-	910	910	-
Support Services - School Administration	-	500	-	500
Total Expenditures	22,000	35,042	18,821	16,221
Revenues Over (Under) Expenditures	\$ -	\$ 9,720	\$ (584)	\$ (10,304)
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	(9,720)		
Operating Transfers and Adjustments			-	
<b>Net change in fund balances (Budget Basis)</b>			\$ (584)	
Fund Balances - beginning of year (adjusted)			(4,324)	
Fund Balances - end of year			\$ (4,908)	
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<i>Net change in fund balance (Budget Basis)</i>			(584)	
<i>Accrued Revenues</i>			583	
<i>Accrued Expenditures</i>			-	
<b>Net change in fund balances (GAAP Basis)</b>			\$ (1)	

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Fund 24120 - IDEA-B "Risk Pool" - Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues:</b>				
Prior Year Voided Checks	\$ -	\$ -	\$ -	-
Federal Sources	-	690	-	(690)
Total Revenues	-	690	-	(690)
<b>Expenditures:</b>				
Education, Current:				
Instruction	-	690	690	-
Support Services - Students	-	-	-	-
Support Services - General Administration	-	-	-	-
Support Services - School Administration	-	-	-	-
Total Expenditures	-	690	690	-
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ (690)	\$ (690)
<b>Other Financing Sources (Uses)</b>				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			-	
<b>Net change in fund balances (Budget Basis)</b>			\$ (690)	
Fund Balances - beginning of year (adjusted)			-	
Fund Balances - end of year			\$ (690)	
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<i>Net change in fund balance (Budget Basis)</i>			(690)	
<i>Accrued Revenues</i>			690	
<i>Accrued Expenditures</i>			-	
<b>Net change in fund balances (GAAP Basis)</b>			\$ -	

**STATE OF NEW MEXICO**  
**Aztec Municipal Schools**  
**Fund 24154 - Title II -A Teacher/Principal Training & Recruiting - Special Revenue Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**For the Year Ended June 30, 2015**

	Budgeted Amounts		Actual	Variance
	Original	Final	(Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<b>Revenues:</b>				
Prior Year Voided Checks	\$ -	\$ -	\$ -	-
Federal Sources	82,073	98,881	61,244	(37,637)
Total Revenues	82,073	98,881	61,244	(37,637)
 <b>Expenditures:</b>				
Education, Current:				
Instruction	82,073	98,551	98,551	-
Support Services - Students	-	-	-	-
Support Services - Instruction	-	-	-	-
Support Services - General Administration	-	330	330	-
Support Services - School Administration	-	-	-	-
Operations and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Education, Non-Current:				
Capital Outlay	-	-	-	-
Total Expenditures	82,073	98,881	98,881	-
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ (37,637)	\$ (37,637)
<b>Other Financing Sources (Uses)</b>				
Cash budgeted from prior year	-	-	-	-
Operating Transfers and Adjustments	-	-	-	-
<b>Net change in fund balances (Budget Basis)</b>			\$ (37,637)	
Fund Balances - beginning of year (adjusted)			(29,336)	
Fund Balances - end of year			\$ (66,973)	
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<i>Net change in fund balance (Budget Basis)</i>			(37,637)	
<i>Accrued Revenues</i>			(29,337)	
<i>Accrued Expenditures</i>			-	
<b>Net change in fund balances (GAAP Basis)</b>			\$ (66,974)	

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Fund 24174 - Carl Perkins - Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues:</b>				
Prior Year Voided Checks	\$ -	\$ -	\$ -	-
Federal Sources	14,445	19,807	19,208	(599)
Total Revenues	14,445	19,807	19,208	(599)
<b>Expenditures:</b>				
<b>Education, Current:</b>				
Instruction	14,445	19,807	18,107	1,700
Support Services - Students	-	-	-	-
Support Services - Instruction	-	-	-	-
Support Services - General Administration	-	-	-	-
Central Services	-	-	-	-
Operations and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
<b>Education, Non-Current:</b>				
Capital Outlay	-	-	-	-
Total Expenditures	14,445	19,807	18,107	1,700
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ 1,101	\$ 1,101
<b>Other Financing Sources (Uses)</b>				
Cash budgeted from prior year	-	-	-	-
Operating Transfers and Adjustments	-	-	-	-
<b>Net change in fund balances (Budget Basis)</b>			\$ 1,101	
Fund Balances - beginning of year (adjusted)			-	
Fund Balances - end of year			\$ 1,101	
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<i>Net change in fund balance (Budget Basis)</i>			1,101	
<i>Accrued Revenues</i>			(1,101)	
<i>Accrued Expenditures</i>			-	
<b>Net change in fund balances (GAAP Basis)</b>			\$ -	

**STATE OF NEW MEXICO**  
**Aztec Municipal Schools**  
**Fund 24176 - Carl Perkins Secondary Redistribution - Special Revenue Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**For the Year Ended June 30, 2015**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues:</b>				
Prior Year Voided Checks	\$ -	\$ -	\$ -	-
Federal Sources	-	4,952	-	(4,952)
Total Revenues	-	4,952	-	(4,952)
<b>Expenditures:</b>				
<b>Education, Current:</b>				
Instruction	-	4,952	2,443	2,509
Support Services - Students	-	-	-	-
Support Services - Instruction	-	-	-	-
Support Services - General Administration	-	-	-	-
Central Services	-	-	-	-
Operations and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
<b>Education, Non-Current:</b>				
Capital Outlay	-	-	-	-
Total Expenditures	-	4,952	2,443	2,509
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ (2,443)	\$ (2,443)
<b>Other Financing Sources (Uses)</b>				
Cash budgeted from prior year	-	-	-	-
Operating Transfers and Adjustments	-	-	-	-
<b>Net change in fund balances (Budget Basis)</b>			\$ (2,443)	
Fund Balances - beginning of year (adjusted)			-	
Fund Balances - end of year			\$ (2,443)	
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<b>Net change in fund balance (Budget Basis)</b>			(2,443)	
Accrued Revenues			-	
Accrued Expenditures			165	
<b>Net change in fund balances (GAAP Basis)</b>			\$ (2,278)	

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Fund 25131 - Johnson O'Malley - Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues:</b>				
Prior Year Voided Checks	\$ -	\$ -	\$ -	-
Federal Sources	16,000	26,561	25,507	(1,054)
Total Revenues	16,000	26,561	25,507	(1,054)
<b>Expenditures:</b>				
Education, Current:				
Instruction	5,405	10,352	10,352	-
Support Services - Students	10,595	15,014	13,732	1,282
Support Services - General Administration	-	1,195	1,084	111
Support Services - School Administration	-	-	-	-
Operations and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Total Expenditures	16,000	26,561	25,168	1,393
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ 339	\$ 339
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-	-	
Operating Transfers and Adjustments			-	
<b>Net change in fund balances (Budget Basis)</b>			\$ 339	
Fund Balances - beginning of year (adjusted)			(6,583)	
Fund Balances - end of year			(6,244)	
 <b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b> 				
<i>Net change in fund balance (Budget Basis)</i>			339	
<i>Accrued Revenues</i>			(317)	
<i>Accrued Expenditures</i>			(19)	
<b>Net change in fund balances (GAAP Basis)</b>			\$ 3	



**STATE OF NEW MEXICO**  
**Aztec Municipal Schools**  
**Fund 25184 - Indian Education Formula Grant - Special Revenue Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**For the Year Ended June 30, 2015**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues:</b>				
Prior Year Voided Checks	\$ -	\$ -	\$ -	-
Federal Sources	89,573	90,019	103,623	13,604
Total Revenues	89,573	90,019	103,623	13,604
<b>Expenditures:</b>				
<b>Education, Current:</b>				
Instruction	54,891	54,893	54,893	-
Support Services - Students	17,994	15,643	16,874	(1,231)
Support Services - Instruction	-	-	-	-
Support Services - General Administration	-	4,051	4,051	-
Support Services - School Administration	16,688	15,432	14,201	1,231
Total Expenditures	89,573	90,019	90,019	-
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ 13,604	\$ 13,604
<b>Other Financing Sources (Uses)</b>				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			-	
<b>Net change in fund balances (Budget Basis)</b>			\$ 13,604	
Fund Balances - beginning of year (adjusted)			(13,604)	
Fund Balances - end of year			\$ -	
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<i>Net change in fund balance (Budget Basis)</i>			13,604	
<i>Accrued Revenues</i>			(13,604)	
<i>Accrued Expenditures</i>			-	
<b>Net change in fund balances (GAAP Basis)</b>			-	

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Fund 26150 - BP Education Grant - Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Local Sources	\$ -	\$ -	\$ 42,343	\$ 42,343
Expenditures:				
Education, Current:				
Instruction	-	22,975	16,479	6,496
Support Services - General Administration	-	7,884	2,500	5,384
Total Expenditures	-	30,859	18,979	11,880
Revenues Over (Under) Expenditures	\$ -	\$ (30,859)	\$ 23,364	\$ 54,223
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	30,859		
Operating Transfers and Adjustments			-	
<b>Net change in fund balances (Budget Basis)</b>			\$ 23,364	
Fund Balances - beginning of year (adjusted)			30,859	
Fund Balances - end of year			\$ 54,223	

**Reconciliation from Budgetary to GAAP Budgetary Basis**

<i>Net change in fund balance (Budget Basis)</i>	23,364
<i>Accrued Revenues</i>	-
<i>Accrued Expenditures</i>	1,334
<b><i>Net change in fund balances (GAAP Basis)</i></b>	<b>\$ 24,698</b>

**STATE OF NEW MEXICO**  
**Aztec Municipal Schools**  
**Fund 26200 - Conoco Phillips Grant - Special Revenue Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**For the Year Ended June 30, 2015**

	Budgeted Amounts		Actual	Variance
	Original	Final	(Budgetary Basis)	Favorable (Unfavorable) Final to Actual
Revenues:				
Local Sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Education, Current:				
Instruction	-	52,227	40,538	11,689
Support Services - Students	-	-	-	-
Total Expenditures	-	52,227	40,538	11,689
Revenues Over (Under) Expenditures	\$ -	\$ (52,227)	\$ (40,538)	\$ 11,689
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	52,227		
Operating Transfers and Adjustments			-	
<b>Net change in fund balances (Budget Basis)</b>			\$ (40,538)	
Fund Balances - beginning of year (adjusted)			52,227	
Fund Balances - end of year			\$ 11,689	
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<b>Net change in fund balance (Budget Basis)</b>			(40,538)	
Accrued Revenues			23,395	
Accrued Expenditures			-	
<b>Net change in fund balances (GAAP Basis)</b>			\$ (17,143)	

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Fund 27103 - Dual Credit Instructional Materials - Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	\$ -	\$ -	-
State Sources	-	3,869	8,848	4,979
Total Revenues	-	3,869	8,848	4,979
Expenditures:				
Education, Current:				
Instruction	-	3,869	3,869	-
Instruction	-	3,869	3,869	-
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ 4,979	\$ 4,979
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments	-	-	-	
<b>Net change in fund balances (Budget Basis)</b>			\$ 4,979	
Fund Balances - beginning of year (adjusted)			(5,559)	
Fund Balances - end of year			(580)	
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<i>Net change in fund balance (Budget Basis)</i>			4,979	
<i>Accrued Revenues</i>			(4,979)	
<i>Accrued Expenditures</i>			(20)	
<b>Net change in fund balances (GAAP Basis)</b>			\$ (20)	

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Fund 27107 - 2012 G.O. Bond Student Library - Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues:</b>				
Prior Year Voided Checks	\$ -	\$ -	\$ -	-
State Sources	-	8,830	21,888	13,058
Total Revenues	-	8,830	21,888	13,058
<b>Expenditures:</b>				
Education, Current:				
Support Services - Instruction	-	8,830	8,653	177
Revenues Over (Under) Expenditures	\$ -	\$ -	13,235	\$ 13,235
<b>Other Financing Sources (Uses)</b>				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			-	
<b>Net change in fund balances (Budget Basis)</b>			\$ 13,235	
Fund Balances - beginning of year (adjusted)			(13,235)	
Fund Balances - end of year			-	
 <b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b> 				
<i>Net change in fund balance (Budget Basis)</i>			13,235	
<i>Accrued Revenues</i>			-	
<i>Accrued Expenditures</i>			344	
<b>Net change in fund balances (GAAP Basis)</b>			13,579	

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Fund 27113 - Instructional Material Adoption Support - Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	\$ -	\$ -	-
State Sources	-	288,673	122,968	(165,705)
Total Revenues	-	288,673	122,968	(165,705)
Expenditures:				
Education, Current:				
Support Services - General Administration	-	26,243	-	26,243
Support Services - Central Services	-	262,430	180,680	81,750
	-	288,673	180,680	107,993
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ (57,712)	\$ (273,698)
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments	-	-	-	
<b>Net change in fund balances (Budget Basis)</b>			\$ (57,712)	
Fund Balances - beginning of year (adjusted)			(103,238)	
Fund Balances - end of year			\$ (160,950)	
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<i>Net change in fund balance (Budget Basis)</i>			(57,712)	
<i>Accrued Revenues</i>			57,283	
<i>Accrued Expenditures</i>			-	
<b>Net change in fund balances (GAAP Basis)</b>			\$ (429)	

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Fund 27114 - NM Reads To Lead K-3 - Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	\$ -	\$ -	-
State Sources	130,000	130,000	116,572	(13,428)
Total Revenues	130,000	130,000	116,572	(13,428)
Expenditures:				
Education, Current:				
Instruction	43,700	43,700	43,700	-
Support Services - Instruction	86,300	86,300	86,299	1
Total Expenditures	130,000	130,000	129,999	1
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ (13,427)	\$ (13,427)
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			-	
<b>Net change in fund balances (Budget Basis)</b>			\$ (13,427)	
Fund Balances - beginning of year (adjusted)			(32,867)	
Fund Balances - end of year			\$ (46,294)	
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<i>Net change in fund balance (Budget Basis)</i>			(13,427)	
<i>Accrued Revenues</i>			13,427	
<i>Accrued Expenditures</i>			622	
<b>Net change in fund balances (GAAP Basis)</b>			\$ 622	

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Fund 27150 - Indian Education Act - Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues:</b>				
Prior Year Voided Checks	\$ -	\$ -	\$ -	-
State Sources	-	25,000	12,316	(12,684)
Total Revenues	-	25,000	12,316	(12,684)
<b>Expenditures:</b>				
Education, Current:				
Instruction	-	-	-	-
Support Services - Student	-	15,904	15,576	328
Support Services - Instruction	-	9,096	9,094	2
Support Services - Central Services	-	-	316	(316)
	-	25,000	24,986	14
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ (12,670)	\$ (12,670)
<b>Other Financing Sources (Uses)</b>				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			-	
<b>Net change in fund balances (Budget Basis)</b>			\$ (12,670)	
Fund Balances - beginning of year (adjusted)			(12,316)	
Fund Balances - end of year			\$ (24,986)	
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<i>Net change in fund balance (Budget Basis)</i>			(12,670)	
<i>Accrued Revenues</i>			12,670	
<i>Accrued Expenditures</i>			-	
<b>Net change in fund balances (GAAP Basis)</b>			\$ -	



**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Fund 27178 - 2013 School Bus Purchase - Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	\$ -	\$ -	-
State Sources	-	439,245	439,245	-
Total Revenues	-	439,245	439,245	-
Expenditures:				
Education, Current:				
Student Transportation	-	439,245	439,245	-
	-	439,245	439,245	-
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			-	
<b>Net change in fund balances (Budget Basis)</b>			\$ -	
Fund Balances - beginning of year (adjusted)			-	
Fund Balances - end of year			\$ -	
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<b>Net change in fund balance (Budget Basis)</b>				-
Accrued Revenues				-
Accrued Expenditures				-
<b>Net change in fund balances (GAAP Basis)</b>			\$ -	

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Fund 27181 - STEM Teacher Initiative - Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final	(Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<b>Revenues:</b>				
Prior Year Voided Checks	\$ -	\$ -	\$ -	-
State Sources	-	30,375	21,294	(9,081)
Total Revenues	-	30,375	21,294	(9,081)
<b>Expenditures:</b>				
Education, Current:				
Food Services	-	30,375	28,856	1,519
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ (7,562)	\$ (7,562)
<b>Other Financing Sources (Uses)</b>				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			-	
<b>Net change in fund balances (Budget Basis)</b>			\$ (7,562)	
Fund Balances - beginning of year (adjusted)			-	
Fund Balances - end of year			\$ (7,562)	
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<i>Net change in fund balance (Budget Basis)</i>			(7,562)	
<i>Accrued Revenues</i>			7,562	
<i>Accrued Expenditures</i>			-	
<b>Net change in fund balances (GAAP Basis)</b>			-	

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Fund 27183 - New Mexico Grown Vegetables - Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues:</b>				
Prior Year Voided Checks	\$ -	\$ -	\$ -	-
State Sources	-	10,000	3,635	(6,365)
Total Revenues	-	10,000	3,635	(6,365)
<b>Expenditures:</b>				
Education, Current:				
Food Services	-	10,000	3,635	6,365
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -
<b>Other Financing Sources (Uses)</b>				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			-	
<b>Net change in fund balances (Budget Basis)</b>			\$ -	
Fund Balances - beginning of year (adjusted)			-	
Fund Balances - end of year			-	
 <b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b> 				
<i>Net change in fund balance (Budget Basis)</i>			-	
<i>Accrued Revenues</i>			-	
<i>Accrued Expenditures</i>			-	
<b>Net change in fund balances (GAAP Basis)</b>			\$ -	

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Fund 27193 - Parent Advocacy Program - Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	\$ -	\$ -	-
State Sources	-	5,994	-	(5,994)
Total Revenues	-	5,994	-	(5,994)
Expenditures:				
Education, Current:				
Instruction	-	5,994	5,994	-
Support Services - Instruction	-	-	-	-
Support Services - Central Services	-	-	-	-
	-	5,994	5,994	-
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ (5,994)	\$ (5,994)
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-	-	
Operating Transfers and Adjustments			-	
<b>Net change in fund balances (Budget Basis)</b>			\$ (5,994)	
Fund Balances - beginning of year (adjusted)			-	
Fund Balances - end of year			\$ (5,994)	
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<i>Net change in fund balance (Budget Basis)</i>			(5,994)	
<i>Accrued Revenues</i>			5,994	
<i>Accrued Expenditures</i>			-	
<b>Net change in fund balances (GAAP Basis)</b>			\$ -	

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Fund 28133 - NM Youth Conservation - Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	\$ -	\$ -	-
State Sources	-	148,731	135,237	(13,494)
Total Revenues	-	148,731	135,237	(13,494)
Expenditures:				
Education, Current:				
Instruction	-	148,731	116,596	32,135
Total Expenditures	-	148,731	116,596	32,135
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ 18,641	\$ 18,641
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments	-	-	-	
<b>Net change in fund balances (Budget Basis)</b>			\$ 18,641	
Fund Balances - beginning of year (adjusted)			(62,990)	
Fund Balances - end of year			(44,349)	
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<i>Net change in fund balance (Budget Basis)</i>			18,641	
<i>Accrued Revenues</i>			\$ (18,645)	
<i>Accrued Expenditures</i>			-	
<b>Net change in fund balances (GAAP Basis)</b>			\$ (4)	

**STATE OF NEW MEXICO**  
**Aztec Municipal Schools**  
**Fund 28144 - Medicaid Support - HSD - Special Revenue Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**For the Year Ended June 30, 2015**

	Budgeted Amounts		Actual	Variance
	Original	Final	(Budgetary Basis)	Favorable (Unfavorable) Final to Actual
<b>Revenues:</b>				
Prior Year Voided Checks	\$ -	\$ -	\$ -	-
State Sources	170,000	170,000	205,562	35,562
Total Revenues	170,000	170,000	205,562	35,562
<b>Expenditures:</b>				
Education, Current:				
Instruction	-	-	-	-
Support Services - Students	93,081	106,136	126,050	(19,914)
Support Services - School Administration	273,919	273,919	47,548	226,371
Total Expenditures	367,000	380,055	173,598	206,457
Revenues Over (Under) Expenditures	\$ (197,000)	\$ (210,055)	\$ 31,964	\$ 242,019
<b>Other Financing Sources (Uses)</b>				
Cash budgeted from prior year	197,000	210,055		
Operating Transfers and Adjustments			-	
<b>Net change in fund balances (Budget Basis)</b>			\$ 31,964	
Fund Balances - beginning of year (adjusted)			210,056	
Fund Balances - end of year			\$ 242,020	
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<i>Net change in fund balance (Budget Basis)</i>			\$ 31,964	
<i>Accrued Revenues</i>			4,750	
<i>Accrued Expenditures</i>			(390)	
<b>Net change in fund balances (GAAP Basis)</b>			\$ 36,324	

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Fund 29107 - City and County Grants - Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	\$ -	\$ -	-
Local Sources:	-	12,000	12,000	-
Total Revenues	-	12,000	12,000	-
Expenditures:				
Education, Current:				
Instruction	-	12,000	12,000	-
Support Services - Students	-	-	-	-
Support Services - School Administration	-	-	-	-
Total Expenditures	-	12,000	12,000	-
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			-	
<b>Net change in fund balances (Budget Basis)</b>			\$ -	
Fund Balances - beginning of year (adjusted)			-	
Fund Balances - end of year			\$ -	
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<b>Net change in fund balance (Budget Basis)</b>			\$ -	
Accrued Revenues			-	
Accrued Expenditures			-	
<b>Net change in fund balances (GAAP Basis)</b>			\$ -	

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Fund 31100 - Bond Building - Capital Projects Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Local Sources:				
Investment Income	\$ -	\$ -	\$ -	-
Bond Sale	-	11,193,969	11,193,969	-
	-	11,193,969	11,193,969	-
Expenditures:				
Education, Non-Current:				
Capital Outlay	-	11,228,883	2,026,156	9,202,727
	-	11,228,883	2,026,156	9,202,727
Revenues Over (Under) Expenditures	\$ -	\$ (34,914)	\$ 9,167,813	\$ 9,202,727
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	34,914		
Operating Transfers and Adjustments				
<b>Net change in fund balances (Budget Basis)</b>			\$ 9,167,813	
Fund Balances - beginning of year (adjusted)			34,914	
Fund Balances - end of year			\$ 9,202,727	
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<i>Net change in fund balance (Budget Basis)</i>			\$ 9,167,813	
<i>Accrued Revenues</i>			-	
<i>Accrued Expenditures</i>			(351)	
<b>Net change in fund balances (GAAP Basis)</b>			\$ 9,167,462	



**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Fund 31700 - Capital Improvements SB-9 - Capital Projects Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
State Sources				
State Flow-Through Grant	\$ -	\$ 67,376	\$ 67,376	\$ -
Local Sources				
Ad Valorem Taxes - School District	752,742	752,742	722,162	(30,580)
Oil and Gas Taxes	633,702	633,702	770,851	137,149
Insurance Recoveries	-	-	947	947
Intergovernmental Contract Revenue	-	-	-	-
	1,386,444	1,386,444	1,493,960	107,516
Total Revenues	1,386,444	1,453,820	1,561,336	107,516
Expenditures:				
Education, Current:				
Support Services - General Administration	5,000	12,000	7,613	4,387
Education, Non-Current:				
Capital Outlay	6,277,025	6,363,206	1,560,416	4,802,790
Total Expenditures	6,282,025	6,375,206	1,568,029	4,807,177
Revenues Over (Under) Expenditures	\$ (4,895,581)	\$ (4,921,386)	\$ (6,693)	\$ 4,914,693
Other Financing Sources (Uses)				
Cash budgeted from prior year	4,895,581	4,921,386		
Operating Transfers and Adjustments			-	
<b>Net change in fund balances (Budget Basis)</b>			\$ (6,693)	
Fund Balances - beginning of year (adjusted)			4,921,386	
Fund Balances - end of year			\$ 4,914,693	
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<i>Net change in fund balance (Budget Basis)</i>			\$ (6,693)	
<i>Accrued Revenues</i>			(70,129)	
<i>Accrued Expenditures</i>			101,669	
<i>Net change in fund balances (GAAP Basis)</i>			\$ 24,847	

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Fund 41000 - Debt Service Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues:</b>				
Local Sources				
Ad Valorem Taxes - School District	\$ 4,000,000	\$ 4,000,000	\$ 2,664,906	\$ (1,335,094)
Oil and Gas Taxes	-	1,000,000	2,879,399	1,879,399
Investment Income	-	-	-	-
Special Revenue Bond Proceeds	-	-	-	-
Premium/Discount on Issuance of Bonds	-	-	-	-
Total Revenues	4,000,000	5,000,000	5,544,305	544,305
<b>Expenditures:</b>				
Education - Current				
Support Services - General Administration	35,000	35,000	26,649	8,351
Debt Service				
Debt Service - Other Services	2,000	2,000	642	1,358
Debt Service Reserve	3,588,448	4,671,784	-	4,671,784
Spec. Rev. Debt Service Reserve	-	-	-	-
Bond Principal Payments	3,900,000	3,900,000	3,900,000	-
Spec. Rev. Bonds Principal Payments	-	-	-	-
Bond Interest Payments	1,699,067	1,699,067	1,114,056	585,011
Spec. Rev. Bonds Interest Payments	-	-	-	-
Total Expenditures	9,224,515	10,307,851	5,041,347	5,266,504
Revenues Over (Under) Expenditures	\$ (5,224,515)	\$ (5,307,851)	\$ 502,958	\$ (4,722,199)
<b>Other Financing Sources (Uses)</b>				
Cash budgeted from prior year	5,224,515	5,307,851		
Operating Transfers and Adjustments			-	
<b>Net change in fund balances (Budget Basis)</b>			\$ 502,958	
Fund Balances - beginning of year (adjusted)			5,307,851	
Fund Balances - end of year			\$ 5,810,809	
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<i>Net change in fund balance (Budget Basis)</i>			\$ 502,958	
<i>Accrued Revenues</i>			(334,808)	
<i>Accrued Expenditures</i>			-	
<b>Net change in fund balances (GAAP Basis)</b>			\$ 168,150	

## **GENERAL FUND**

**STATE OF NEW MEXICO**

Aztec Municipal Schools

General Fund

Combining Balance Sheet

As of June 30, 2015

	<u>Fund 11000</u>	<u>Fund 13000</u>	<u>Fund 14000</u>	
	<u>Operational</u>	<u>Transportation</u>	<u>Instructional Materials</u>	<u>Total General Fund</u>
<b>ASSETS</b>				
Cash	\$ 1,539,903	\$ 46,776	\$ 100,404	\$ 1,687,083
Investments	2,000,000	-	-	2,000,000
Property taxes receivable	15,828	-	-	15,828
Other taxes receivable	12,460	-	-	12,460
Due from grantor	-	-	-	-
Due from other funds	901,881	-	-	901,881
Other receivable	14,936	-	-	14,936
Total assets	<u>\$ 4,485,007</u>	<u>\$ 46,776</u>	<u>\$ 100,404</u>	<u>\$ 4,632,187</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>				
Liabilities:				
Accounts payable	\$ 66,790	\$ 1,272	\$ 1,504	\$ 69,566
Accrued salaries and benefits	551,530	46,775	-	598,305
Total liabilities	<u>618,320</u>	<u>48,047</u>	<u>1,504</u>	<u>667,871</u>
Deferred inflows of resources				
Unavailable Revenue	<u>11,689</u>	<u>-</u>	<u>-</u>	<u>11,689</u>
Total deferred inflows of resources	<u>11,689</u>	<u>-</u>	<u>-</u>	<u>11,689</u>
Fund balances				
Nonspendable				
Spendable				
Restricted for:				
Education	-	-	98,900	98,900
Committed for:				
Emergency Reserves	1,200,000	-	-	1,200,000
Subsequent years expenditures	1,009,622	-	-	1,009,622
Unassigned	1,645,377	(1,271)	-	1,644,106
Total fund balance	<u>3,854,999</u>	<u>(1,271)</u>	<u>98,900</u>	<u>3,952,628</u>
Total liabilities, deferred resources and fund balance	<u>\$ 4,485,007</u>	<u>\$ 46,776</u>	<u>\$ 100,404</u>	<u>\$ 4,632,187</u>

**STATE OF NEW MEXICO**  
**Aztec Municipal Schools General Fund**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the year ended June 30, 2015**

	<u>Fund 11000</u>	<u>Fund 13000</u>	<u>Fund 14000</u>	<u>Total</u>
	<u>Operational</u>	<u>Transportation</u>	<u>Instructional Materials</u>	<u>General Fund</u>
Revenues:				
Federal grants	\$ -	\$ -	\$ -	-
State grants	21,611,800	1,148,620	221,976	22,982,396
Local sources:				
Property Taxes	122,456	-	-	122,456
Oil and Gas Taxes	192,713	-	-	192,713
Local grants	3,459	-	-	3,459
Charges for services	154,417	-	-	154,417
Investment income	25,030	-	-	25,030
Miscellaneous	9,200	-	1,644	10,844
Total revenues	<u>22,119,075</u>	<u>1,148,620</u>	<u>223,620</u>	<u>23,491,315</u>
Expenditures:				
Current:				
Instruction	13,619,002	-	210,365	13,829,367
Support services - students	2,053,851	-	-	2,053,851
Support services - instruction	309,653	-	-	309,653
Support services - general administration	295,300	-	-	295,300
Support services - school administration	1,405,194	-	-	1,405,194
Central services	898,047	-	-	898,047
Operations and maintenance of plant	2,732,171	-	-	2,732,171
Student transportation	89,162	1,144,066	-	1,233,228
Other support services	39,598	-	-	39,598
Total expenditures	<u>21,441,978</u>	<u>1,144,066</u>	<u>210,365</u>	<u>22,796,409</u>
Revenues over (under) expenditures	<u>677,098</u>	<u>4,554</u>	<u>13,255</u>	<u>694,907</u>
Other financing sources (Uses):				
Operating transfers out	(50,000)	-	-	(50,000)
Net other financing sources (uses)	<u>(50,000)</u>	<u>-</u>	<u>-</u>	<u>(50,000)</u>
Net Change in fund balance	627,098	4,554	13,255	644,907
Fund balance - beginning of year	<u>3,227,901</u>	<u>(5,825)</u>	<u>85,645</u>	<u>3,307,721</u>
Fund balance - end of year	<u>\$ 3,854,999</u>	<u>\$ (1,271)</u>	<u>\$ 98,900</u>	<u>\$ 3,952,628</u>

**STATE OF NEW MEXICO**  
**Aztec Municipal Schools**  
**Fund 11000 - Operational**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**For the Year Ended June 30, 2015**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues:</b>				
Federal Sources:				
Indirect Costs - Federal Direct Grants	\$ 1,000	\$ 1,000	\$ 4,438	\$ 3,438
Indirect Costs - Federal Flowthrough Grants	40,000	40,000	53,928	13,928
Access Board (E-rate)	45,451	45,451	44,038	(1,413)
	86,451	86,451	102,404	15,953
State Sources:				
State Equalization Guarantee	21,541,255	21,558,133	21,543,210	(14,923)
Charter School Administration Revenue	26,861	26,861	24,955	(1,906)
Ingovernmental Contract Revenue	20,000	20,000	19,221	(779)
Fees - Governmental Revenues	36,139	36,139	49,369	13,230
	21,624,255	21,641,133	21,636,755	(4,378)
Local Sources:				
Ad Valorem Taxes - School District	138,755	138,755	140,847	2,092
Oil and Gas Taxes	158,426	158,426	192,713	34,287
Investment Income	3,500	3,500	15,307	11,807
Fees - Educational	8,400	8,400	22,793	14,393
Fees - Users	-	-	-	-
Royalties	1,800	1,800	305	(1,495)
Rentals	1,800	1,800	2,200	400
Contributions from Private Sources	-	-	25	25
Categorical - Instruction	-	-	3,459	3,459
Insurance Recoveries	-	-	3,296	3,296
Refunds of Prior Year's Expenditures	-	-	-	-
Sale of District Assets	-	-	15,556	15,556
	312,681	312,681	396,501	83,820
Total Revenues	22,023,387	22,040,265	22,135,660	95,395
<b>Expenditures:</b>				
Education, Current:				
Instruction	15,836,143	15,920,890	13,617,920	2,302,970
Support Services - Students	2,194,208	2,194,226	2,050,896	143,330
Support Services - Instruction	321,464	343,284	313,120	30,164
Support Services - General Administration	319,835	320,788	298,409	22,379
Support Services - School Administration	2,691,891	2,692,688	1,405,362	1,287,326
Support Services - Central Services	891,397	888,629	898,986	(10,357)
Operations and Maintenance of Plant	2,755,349	2,755,349	2,764,273	(8,924)
Student Transportation	160,500	160,500	95,561	64,939
Other Support Services	40,000	40,000	39,569	431
Capital Outlay	-	-	-	-
Total Expenditures	25,210,787	25,316,354	21,484,096	3,832,258
<b>Revenues Over (Under) Expenditures</b>	\$ (3,187,400)	\$ (3,276,089)	\$ 651,564	\$ 3,927,653
Other Financing Sources (Uses)				
Cash budgeted from prior year	3,187,400	3,276,089		
Operating Transfers and Adjustments			(50,000)	
<b>Net change in fund balances (Budget Basis)</b>			\$ 601,564	
Fund Balances - beginning of year (adjusted)			3,238,690	
Fund Balances - end of year			\$ 3,840,254	
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<b>Net change in fund balance (Budget Basis)</b>			\$ 601,564	
Accrued Revenues			(16,585)	
Accrued Expenditures			42,118	
<b>Net change in fund balances (GAAP Basis)</b>			\$ 627,098	

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Fund 13000 - Transportation  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues:</b>				
State Sources:				
Transportation Distribution	\$ 1,211,521	\$ 884,069	\$ 884,069	\$ -
Transportation Distribution - Supplemental	-	264,551	264,551	-
Transportation Distribution	-	-	-	-
	1,211,521	1,148,620	1,148,620	-
Local Sources:				
Sale of District Assets	-	-	-	-
Insurance Recoveries	-	-	-	-
Prior Year Voided Checks	-	-	-	-
Total Revenues	1,211,521	1,148,620	1,148,620	-
<b>Expenditures:</b>				
Education, Current:				
Student Transportation	1,211,521	1,148,620	1,148,619	1
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ 1	\$ 1
<b>Other Financing Sources (Uses)</b>				
Cash budgeted from prior year	-	-	-	-
Operating Transfers and Adjustments	-	-	-	-
<b>Net change in fund balances (Budget Basis)</b>			\$ 1	
Fund Balances - beginning of year (adjusted)			-	
Fund Balances - end of year			\$ 1	
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<i>Net change in fund balance (Budget Basis)</i>			\$ 1	
<i>Accrued Revenues</i>			-	
<i>Accrued Expenditures</i>			4,553	
<b>Net change in fund balances (GAAP Basis)</b>			\$ 4,554	

**STATE OF NEW MEXICO**  
**Aztec Municipal Schools**  
**Fund 14000 - Instructional Materials**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**For the Year Ended June 30, 2015**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues:</b>				
State Sources:				
Instructional Materials - Adopted 50%	\$ 81,601	\$ 133,156	\$ 133,156	\$ -
Instructional Materials - Other 50%	81,602	88,820	88,820	-
State Flow-through	-	-	-	-
	<u>163,203</u>	<u>221,976</u>	<u>221,976</u>	<u>-</u>
Local Sources:				
Insurance/Individual Recoveries	-	-	1,644	1,644
Total Revenues	<u>163,203</u>	<u>221,976</u>	<u>223,620</u>	<u>1,644</u>
<b>Expenditures:</b>				
Education, Current:				
Instruction	163,203	308,254	209,494	98,760
Support Services - Instruction	-	-	-	-
Total Expenditures	<u>163,203</u>	<u>308,254</u>	<u>209,494</u>	<u>98,760</u>
Revenues Over (Under) Expenditures	\$ -	\$ (86,278)	<u>14,126</u>	<u>\$ 100,404</u>
<b>Other Financing Sources (Uses)</b>				
Cash budgeted from prior year	-	86,278		
Operating Transfers and Adjustments			-	
<b>Net change in fund balances (Budget Basis)</b>			\$ 14,126	
Fund Balances - beginning of year (adjusted)			86,278	
Fund Balances - end of year			<u>\$ 100,404</u>	
<b><u>Reconciliation from Budgetary to GAAP Budgetary Basis</u></b>				
<i>Net change in fund balance (Budget Basis)</i>			\$ 14,126	
<i>Accrued Revenues</i>			-	
<i>Accrued Expenditures</i>			(871)	
<b><i>Net change in fund balances (GAAP Basis)</i></b>			<u>\$ 13,255</u>	



**MOSAIC ACADEMY CHARTER SCHOOL**

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Mosaic Academy Charter School  
Balance Sheet  
As of June 30, 2015

	GENERAL		SPECIAL REVENUE		
	Fund 11000	Fund 14000	Fund 24106	Fund 27114	Fund 27115
	Operational Fund	Instructional Materials Fund	Entitlement IDEA-B	New Mexico Leads to Read K-3	Robot Systems for Math Competitions
<b>Assets:</b>					
Cash	\$ 351,081	\$ 19,778	\$ 18	\$ 7	\$ -
Property Taxes Receivable	-	-	-	-	-
Other Taxes receivable	-	-	-	-	-
Due from grantor	-	-	-	-	1,750
Due from other funds	26,023	-	-	-	-
Other receivable	103	-	-	-	-
Inventory	-	-	-	-	-
Total Assets	<u>\$ 377,207</u>	<u>\$ 19,778</u>	<u>\$ 18</u>	<u>\$ 7</u>	<u>\$ 1,750</u>
<b>Liabilities:</b>					
Accounts Payable	\$ 4,462	\$ -	\$ -	\$ -	\$ -
Accrued Salaries and Benefits	35,790	-	18	7	-
Due to Other Funds	-	-	-	-	1,750
Total Liabilities	<u>40,252</u>	<u>-</u>	<u>18</u>	<u>7</u>	<u>1,750</u>
<b>Deferred inflows of resources</b>					
Unavailable revenue	91	-	-	-	1,750
Total deferred inflow of resources	<u>91</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,750</u>
<b>Fund Balances</b>					
<b>Nonspendable</b>					
Inventory	-	-	-	-	-
<b>Spendable</b>					
Restricted for:					
Education	-	19,778	-	-	-
Food service operations	-	-	-	-	-
Capital Acquisitions and Improvements	-	-	-	-	-
Debt Service	-	-	-	-	-
Committed for:					
Emergency Reserves	15,000	-	-	-	-
Subsequent years expenditures	214,944	-	-	-	-
Unassigned	<u>106,920</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,750)</u>
Total Fund Balance	<u>336,864</u>	<u>19,778</u>	<u>-</u>	<u>-</u>	<u>(1,750)</u>
Total Liabilities, Deferred inflow of resources and Fund Balance	<u>\$ 377,207</u>	<u>\$ 19,778</u>	<u>\$ 18</u>	<u>\$ 7</u>	<u>\$ 1,750</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Mosaic Academy Charter School  
Balance Sheet  
As of June 30, 2015

	<u>CAPITAL PROJECTS</u>		
	<u>Fund 31200</u>	<u>Fund 31700 Capital Improvements SB-9</u>	<u>Total</u>
	<u>Public School Capital Outlay</u>		
Assets:			
Cash	\$ -	40,067	\$ 410,951
Property Taxes Receivable	-	503	503
Other Taxes receivable	-	-	-
Due from grantor	24,273	3,878	29,901
Due from other funds	-	-	26,023
Other receivable	-	-	103
Inventory	-	-	-
Total Assets	<u>\$ 24,273</u>	<u>44,448</u>	<u>\$ 467,481</u>
Liabilities:			
Accounts Payable	\$ -	-	\$ 4,462
Accrued Salaries and Benefits	-	-	35,815
Due to Other Funds	24,273	-	26,023
Total Liabilities	<u>24,273</u>	<u>-</u>	<u>66,300</u>
Deferred inflows of resources			
Unavailable revenue	-	3,878	5,719
Total deferred inflow of resources	<u>-</u>	<u>3,878</u>	<u>5,719</u>
Fund Balances			
Nonspendable	-	-	-
Inventory	-	-	-
Spendable			
Restricted for:			
Education	-	-	19,778
Food service operations	-	-	-
Capital Acquisitions and Improvements	-	40,570	40,570
Debt Service	-	-	-
Committed for:			
Emergency Reserves	-	-	15,000
Subsequent years expenditures	-	-	214,944
Unassigned	<u>-</u>	<u>-</u>	<u>105,170</u>
Total Fund Balance	<u>-</u>	<u>40,570</u>	<u>395,462</u>
Total Liabilities, Deferred inflow of resources and Fund Balance	<u>\$ 24,273</u>	<u>44,448</u>	<u>\$ 467,481</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Mosaic Academy Charter School  
Reconciliation of the Balance Sheet to the  
Statement of Net Position  
As of June 30, 2015

Amounts reported for governmental activities in the Statement of Net Position are different in the component unit because:

Total fund balances - governmental funds	\$	395,462
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Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

The cost of capital assets is	361,330	
Accumulated depreciation is	<u>(160,261)</u>	201,069

Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore, are not reported in funds

Deferred outflows of resources related to employer contributions subsequent to measurement date	115,468	
Deferred outflows of resources related to change in proportion	3,719	
Deferred inflows of resources related to actuarial experience	(24,594)	
Deferred inflows of resources related to investment experience	<u>(150,082)</u>	(55,489)

Long-term and certain other liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in governmental funds. Long-term and other liabilities at year-end consist of:

Capital lease payable		(1,904)
Pension Liability (GASB 68)		(1,651,229)

Revenues not collected within sixty days after year-end are considered "available" revenues and are shown as unavailable revenues on the balance sheet.

Delinquent property taxes		5,719
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Total net position - governmental activities	\$	<u><u>(1,106,372)</u></u>
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**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Mosaic Academy Charter School  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended June 30, 2015

	GENERAL		SPECIAL REVENUE	
	Fund 11000	Fund 14000	Fund 24106	Fund 27106
	Operational Fund	Instructional Materials Fund	Entitlement IDEA-B	2010 G.O. Bond Student Library Fund
Revenues:				
Federal Grants	\$ -	\$ -	\$ 55,922	\$ -
State Grants	1,337,936	12,806	-	-
Local Sources:				
Property Taxes	-	-	-	-
Charges for Services	1,209	-	-	-
Miscellaneous	217	-	-	-
Total Revenues	<u>1,339,362</u>	<u>12,806</u>	<u>55,922</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	824,515	11,234	50,789	-
Support Services - Students	75,027	-	747	-
Support Services - Instruction	12,611	-	-	-
Support Services - General Administration	10,306	-	1,209	-
Support Services - School Administration	232,367	-	-	-
Central Services	69,119	-	-	-
Operations and Maintenance of Plant	100,164	-	-	-
Student Transportation	2,102	-	-	-
Food Services	4,313	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>1,330,524</u>	<u>11,234</u>	<u>52,745</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>8,838</u>	<u>1,572</u>	<u>3,177</u>	<u>-</u>
Net Change in Fund Balance	8,838	1,572	3,177	-
Fund Balance - Beginning of Year	<u>330,269</u>	<u>18,206</u>	<u>(3,177)</u>	<u>(2,158)</u>
Adjustments and Residual Equity Transfers	<u>(2,243)</u>	<u>-</u>	<u>-</u>	<u>2,158</u>
Fund Balance - Beginning of Year, as Restated	<u>328,026</u>	<u>18,206</u>	<u>(3,177)</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 336,864</u>	<u>\$ 19,778</u>	<u>\$ -</u>	<u>\$ -</u>

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Mosaic Academy Charter School  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended June 30, 2015

	SPECIAL REVENUE			CAPITAL FUNDS		TOTAL
	Fund 27107	Fund 27114	Fund 27115	Fund 31200	Fund 31700	
	2012 G.O. Bond Student Library Fund	New Mexico Leads to Read K-3	Robot Systems for Math Competitions	Public School Capital Outlay	Capital Improvements SB-9	
Revenues:						
Federal Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,922
State Grants	-	49,897	7,517	126,644	6,710	1,541,510
Local Sources:						
Property Taxes	-	-	-	-	40,049	40,049
Charges for Services	-	-	-	-	-	1,209
Miscellaneous	-	-	-	-	-	217
Total Revenues	-	49,897	7,517	126,644	46,759	1,638,907
Expenditures:						
Current:						
Instruction	-	44,642	9,267	-	-	940,447
Support Services - Students	-	-	-	-	-	75,774
Support Services - Instruction	-	4,796	-	-	-	17,407
Support Services - General Administration	-	-	-	-	396	11,911
Support Services - School Administration	-	-	-	-	-	232,367
Central Services	-	-	-	-	-	69,119
Operations and Maintenance of Plant	-	-	-	-	-	100,164
Student Transportation	-	-	-	-	-	2,102
Food Services	-	-	-	-	-	4,313
Capital Outlay	-	-	-	107,700	26,143	133,843
Total Expenditures	-	49,438	9,267	107,700	26,539	1,587,447
Revenues Over (Under) Expenditures	-	459	(1,750)	18,944	20,220	51,460
Net Change in Fund Balance	-	459	(1,750)	18,944	20,220	51,460
Fund Balance - Beginning of Year	(84)	(459)	-	(18,944)	20,350	344,003
Adjustments and Residual Equity Transfers	84	-	-	-	-	(1)
Fund Balance - Beginning of Year, as Restated	-	(459)	-	(18,944)	20,350	344,002
Fund Balance - End of Year	\$ -	\$ -	\$ (1,750)	\$ -	\$ 40,570	\$ 395,462

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Mosaic Academy Charter School  
Reconciliation of the Statement of Revenues,  
Expenditures and Changes in Fund Balance to the Statement of Activities  
For the Year Ended June 30, 2015

Total net change in fund balances - governmental funds	\$	51,460
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Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those assets are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.

Prior Period Depreciation Adjustment	(1,631)	
Depreciation expense	(17,334)	
Capital outlays	5,669	
Excess of capital outlays over depreciation expense	(13,296)	(13,296)

Repayment of debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.

Lease purchase principal payments		1,632
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Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense

Pension expense	(115,590)	
Pension contributions by employer	115,468	
	(122)	(122)

Because some revenues will not be collected for several months after the fiscal year-end, they are not considered available revenues in the governmental funds. They are considered revenues in the Statement of Activities. The increase (decrease) in revenues receivable for the year were:

Property taxes		4,403
Capital grant amount due		(18,944)
Federal grant amount due		(3,177)
Change in net position of governmental activities	\$	21,956

STATE OF NEW MEXICO  
 Aztec Municipal Schools  
 Mosaic Academy Charter School  
 Statement of Fiduciary Assets and Liabilities - Agency Funds  
 As of June 30, 2015

<b>Assets</b>	Balance June 30, 2015
Cash and Investments	\$ <u>6,192</u>
Total assets	\$ <u><u>6,192</u></u>
<b>Liabilities</b>	
Due to Student Organizations	\$ <u>6,192</u>
Total liabilities	\$ <u><u>6,192</u></u>



**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Mosaic Academy Charter School  
Fund 11000 - Operational Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
<b>Revenues:</b>					
<b>Federal Sources:</b>					
Indirect Costs - Federal Direct Grants	\$ -	\$ -	\$ -	\$ -	\$ -
Indirect Costs - Federal Flowthrough Grants	-	-	1,209	-	1,209
	<u>-</u>	<u>-</u>	<u>1,209</u>	<u>-</u>	<u>1,209</u>
<b>State Sources:</b>					
State Equalization Guarantee	1,316,167	1,337,934	1,340,281	21,767	2,347
<b>Total State Sources</b>	<u>1,316,167</u>	<u>1,337,934</u>	<u>1,340,281</u>	<u>21,767</u>	<u>2,347</u>
<b>Local Sources:</b>					
Investment Income	-	-	-	-	-
Fees - Activities	-	-	-	-	-
Fees - Educational	-	-	-	-	-
Fees - Users	-	-	-	-	-
Fees - Summer School	-	-	-	-	-
Royalties	-	-	-	-	-
Refunds of Prior Year's Expenditures	-	-	217	-	217
Rentals	-	-	-	-	-
Contributions from Private Sources	-	-	-	-	-
Insurance Recoveries	-	-	-	-	-
Sale of District Assets	-	-	-	-	-
<b>Total Local Sources</b>	<u>-</u>	<u>-</u>	<u>217</u>	<u>-</u>	<u>217</u>
<b>Total Revenues</b>	<u>1,316,167</u>	<u>1,337,934</u>	<u>1,341,707</u>	<u>21,767</u>	<u>3,773</u>
<b>Expenditures:</b>					
<b>Education, Current:</b>					
Instruction	894,693	904,693	824,515	(10,000)	80,178
Support Services - Students	70,226	80,785	75,027	(10,559)	5,758
Support Services - Instruction	15,043	15,593	12,611	(550)	2,982
Support Services - General Administration	13,825	13,825	10,306	-	3,519
Support Services - School Administration	279,756	276,675	235,792	3,081	40,883
Support Services - Central Services	92,577	86,416	69,119	6,161	17,297
Operations and Maintenance of Plant	204,931	214,831	100,021	(9,900)	114,810
Student Transportation	5,000	5,000	2,102	-	2,898
Other Support Services	15,000	15,000	-	-	15,000
Food Services	5,000	5,000	4,313	-	687
Community Services	-	-	-	-	-
<b>Education, Non-Current:</b>					
Capital Outlay	-	-	-	-	-
<b>Total Expenditures</b>	<u>1,596,051</u>	<u>1,617,818</u>	<u>1,333,806</u>	<u>(21,767)</u>	<u>284,012</u>
Revenues Over (Under) Expenditures	\$ <u>(279,884)</u>	\$ <u>(279,884)</u>	<u>7,901</u>	\$ <u>-</u>	\$ <u>287,785</u>
<b>Other Financing Sources (Uses)</b>					
Cash budgeted from prior year	<u>279,884</u>	<u>279,884</u>			
<b>Operating Transfers and Adjustments</b>					
<b>Net change in fund balances (Budget Basis)</b>			\$ <u>7,901</u>		
Fund Balances - beginning of year (adjusted)			<u>333,413</u>		
Fund Balances - end of year			\$ <u>341,314</u>		
<b><u>Reconciliation from Budgetary to GAAP Basis</u></b>					
<i>Net change in fund balance (Budget Basis)</i>			<u>7,901</u>		
<i>Accrued Revenues</i>			<u>(2,345)</u>		
<i>Accrued Expenditures</i>			<u>3,282</u>		
<b>Net change in fund balances (GAAP basis)</b>			<u>8,838</u>		

**STATE OF NEW MEXICO**  
 Aztec Municipal Schools  
 Mosaic Academy Charter School  
 Fund 14000 - Instructional Materials Fund  
 Statement of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
	<b>Revenues:</b>				
State Sources:					
Instructional Materials - Credit 50%	\$ 4,574	\$ 6,403	\$ -	\$ 1,829	\$ (6,403)
Instructional Materials - Cash 50%	4,574	6,403	2,558	1,829	(3,845)
Library Materials	-	-	10,248	-	10,248
	9,148	12,806	12,806	3,658	-
Local Sources:					
Insurance/Individual Recoveries	-	-	-	-	-
Total Revenues	9,148	12,806	12,806	3,658	-
<b>Expenditures:</b>					
Education, Current:					
Instruction	21,883	25,541	11,234	(3,658)	14,307
Support Services - Instruction	-	-	-	-	-
Total Expenditures	21,883	25,541	11,234	(3,658)	14,307
Revenues Over (Under) Expenditures	\$ (12,735)	\$ (12,735)	1,572	-	\$ 14,307
<b>Other Financing Sources (Uses)</b>					
Cash budgeted from prior year	12,735	12,735			
Operating Transfers and Adjustments			-		
<b>Net change in fund balances (Budget Basis)</b>			\$ 1,572		
Fund Balances - beginning of year (adjusted)			18,206		
Fund Balances - end of year			\$ 19,778		
<b><u>Reconciliation from Budgetary to GAAP Basis</u></b>					
<b>Net change in fund balance (Budget Basis)</b>			\$ 1,572		
Accrued Revenues			-		
Accrued Expenditures			-		
<b>Net change in fund balances (GAAP basis)</b>			\$ 1,572		

**STATE OF NEW MEXICO**  
 Aztec Municipal Schools  
 Mosaic Academy Charter School  
 Budget and Actual (Non-GAAP Basis)  
 Fund 24106 - Entitlement IDEA-B - Special Revenue Fund  
 Statement of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
<b>Revenues:</b>					
Prior Year Voided Checks	\$ -	\$ -	\$ -	\$ -	\$ -
Flow-Through Grants - District to Charter	57,462	52,838	55,922	(4,624)	3,084
Total Revenues	57,462	52,838	55,922	(4,624)	3,084
<b>Expenditures:</b>					
Education, Current:					
Instruction	55,360	50,880	50,789	4,480	91
Support Services - Students	893	749	747	144	2
Support Services - General Administration	1,209	1,209	1,209	-	-
Support Services - School Administration	-	-	-	-	-
Central Services	-	-	-	-	-
Student Transportation	-	-	-	-	-
Community Services	-	-	-	-	-
Total Expenditures	57,462	52,838	52,745	4,624	93
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ 3,177	\$ -	\$ 3,177
<b>Other Financing Sources (Uses)</b>					
Cash budgeted from prior year	-	-			
Operating Transfers and Adjustments			-		
<b>Net change in fund balances (Budget Basis)</b>			\$ 3,177		
Fund Balances - beginning of year (adjusted)			(3,177)		
Fund Balances - end of year			\$ -		
<b><u>Reconciliation from Budgetary to GAAP Basis</u></b>					
<b>Net change in fund balance (Budget Basis)</b>			\$ 3,177		
Accrued Revenues			-		
Accrued Expenditures			-		
<b>Net change in fund balances (GAAP basis)</b>			\$ 3,177		

**STATE OF NEW MEXICO**  
 Aztec Municipal Schools  
 Mosaic Academy Charter School  
 Fund 27107 - 2012 G.O. Bond Student Library Fund - Special Revenue Fund  
 Statement of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
<b>Revenues:</b>					
Prior Year Voided Checks	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-	-
Total Revenues	-	-	-	-	-
<b>Expenditures:</b>					
Education, Current:					
Instruction	-	-	-	-	-
Support Services - Instruction	3,137	3,137	-	-	3,137
Total Expenditures	3,137	3,137	-	-	3,137
Revenues Over (Under) Expenditures	\$ (3,137)	\$ (3,137)	-	-	\$ 3,137
<b>Other Financing Sources (Uses)</b>					
Cash budgeted from prior year	3,137	3,137			
Operating Transfers and Adjustments			\$ -		
<b>Net change in fund balances (Budget Basis)</b>			-		
Fund Balances - beginning of year (adjusted)			-		
Fund Balances - end of year			-		
<b><u>Reconciliation from Budgetary to GAAP Basis</u></b>					
<i>Net change in fund balance (Budget Basis)</i>			\$ -		
<i>Accrued Revenues</i>			-		
<i>Accrued Expenditures</i>			-		
<b>Net change in fund balances (GAAP basis)</b>			\$ -		

**STATE OF NEW MEXICO**  
 Aztec Municipal Schools  
 Mosaic Academy Charter School  
 Fund 27114 - New Mexico Leads to Read K-3 - Special Revenue Fund  
 Statement of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
<b>Revenues:</b>					
Prior Year Voided Checks	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	50,000	50,000	75,909	-	25,909
Total Revenues	50,000	50,000	75,909	-	25,909
<b>Expenditures:</b>					
Education, Current:					
Instruction	50,000	45,106	45,100	4,894	6
Support Services - Instruction	-	4,894	4,796	(4,894)	98
Total Expenditures	50,000	50,000	49,896	-	104
Revenues Over (Under) Expenditures	\$ -	\$ -	26,013	\$ -	\$ 26,013
<b>Other Financing Sources (Uses)</b>					
Cash budgeted from prior year	-	-			
Operating Transfers and Adjustments					
<b>Net change in fund balances (Budget Basis)</b>			\$ 26,013		
Fund Balances - beginning of year (adjusted)			(26,013)		
Fund Balances - end of year			\$ -		
<b><u>Reconciliation from Budgetary to GAAP Basis</u></b>					
<i>Net change in fund balance (Budget Basis)</i>			\$ 26,013		
<i>Accrued Revenues</i>			(26,012)		
<i>Accrued Expenditures</i>			458		
<b>Net change in fund balances (GAAP basis)</b>			\$ 459		

**STATE OF NEW MEXICO**  
 Aztec Municipal Schools  
 Mosaic Academy Charter School  
 Fund 27115 - Robot Systems for Math Competitions - Special Revenue Fund  
 Statement of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Prior Year Voided Checks	\$ -	\$ -	\$ -	\$ -	-
State Sources	-	10,512	7,517	10,512	(2,995)
Total Revenues	-	10,512	7,517	10,512	(2,995)
Expenditures:					
Education, Current:					
Instruction	-	10,512	9,267	(10,512)	1,245
Support Services - Instruction	-	-	-	-	-
Total Expenditures	-	10,512	9,267	(10,512)	1,245
Revenues Over (Under) Expenditures	\$ -	\$ -	(1,750)	\$ -	(1,750)
Other Financing Sources (Uses)					
Cash budgeted from prior year	-	-			
Operating Transfers and Adjustments			-		
<b>Net change in fund balances (Budget Basis)</b>			\$ (1,750)		
Fund Balances - beginning of year (adjusted)			-		
Fund Balances - end of year			\$ (1,750)		
<b><u>Reconciliation from Budgetary to GAAP Basis</u></b>					
<i>Net change in fund balance (Budget Basis)</i>			\$ (1,750)		
<i>Accrued Revenues</i>			-		
<i>Accrued Expenditures</i>			-		
<b>Net change in fund balances (GAAP basis)</b>			\$ (1,750)		

**STATE OF NEW MEXICO**  
 Aztec Municipal Schools  
 Mosaic Academy Charter School  
 Fund 31200 - Public School Capital Outlay - Capital Projects Fund  
 Statement of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Local Sources:					
Prior Year Voided Checks	\$ -	\$ -	\$ -	\$ -	\$ -
State Flow-Through Grant	-	107,700	132,252	107,700	24,552
	-	107,700	132,252	107,700	24,552
Expenditures:					
Education, Non-Current:					
Capital Outlay	-	107,700	107,700	(107,700)	-
	-	107,700	107,700	(107,700)	-
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ 24,552	\$ -	\$ 24,552
Other Financing Sources (Uses)					
Cash budgeted from prior year	-	-			
Operating Transfers and Adjustments			-		
<b>Net change in fund balances (Budget Basis)</b>			\$ 24,552		
Fund Balances - beginning of year (adjusted)			(48,825)		
Fund Balances - end of year			\$ (24,273)		
<b><u>Reconciliation from Budgetary to GAAP Basis</u></b>					
<b>Net change in fund balance (Budget Basis)</b>			\$ 24,552		
Accrued Revenues			(5,608)		
Accrued Expenditures			-		
<b>Net change in fund balances (GAAP basis)</b>			\$ 18,944		

**STATE OF NEW MEXICO**  
 Aztec Municipal Schools  
 Mosaic Academy Charter School  
 Fund 31700 - Capital Improvements SB-9 - Capital Projects Fund  
 Statement of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
<b>Revenues:</b>					
State Sources					
State Flow-Through Grant	\$ -	\$ 3,878	\$ -	\$ 3,878	(3,878)
State Flow-Through Grant	6,711	6,711	6,710	-	(1)
	6,711	10,589	6,710	3,878	(3,879)
Local Sources					
Ad Valorem Taxes - School District	82,546	82,546	40,256	-	(42,290)
Oil and Gas Taxes	-	-	-	-	-
Investment Income	-	-	-	-	-
	82,546	82,546	40,256	-	(42,290)
Total Revenues	89,257	93,135	46,966	3,878	(46,169)
<b>Expenditures:</b>					
Education, Current:					
Support Services - General Administration	226	426	403	(200)	23
Education, Non-Current:					
Capital Outlay	98,634	102,312	26,143	(3,678)	76,169
Total Expenditures	98,860	102,738	26,546	(3,878)	76,192
Revenues Over (Under) Expenditures	\$ (9,603)	\$ (9,603)	20,420	\$ -	30,023
<b>Other Financing Sources (Uses)</b>					
Cash budgeted from prior year	9,603	9,603			
Operating Transfers and Adjustments			-		
<b>Net change in fund balances (Budget Basis)</b>			\$ 20,420		
Fund Balances - beginning of year (adjusted)			19,647		
Fund Balances - end of year			\$ 40,067		
<b><u>Reconciliation from Budgetary to GAAP Basis</u></b>					
<b>Net change in fund balance (Budget Basis)</b>			\$ 20,420		
Accrued Revenues			(207)		
Accrued Expenditures			7		
<b>Net change in fund balances (GAAP basis)</b>			\$ 20,220		



## **SUPPORTING SCHEDULES**

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Schedule of Deposits  
As of June 30, 2015

**Primary Government**

Account Title	Citizens	Wells Fargo	Total
Payroll Clearing	\$ 774,498	\$ -	\$ 774,498
General Fund	1,717,433	-	1,717,433
Activity Account	373,085	-	373,085
Athletic Account - Imprest	11,526	-	11,526
General Savings/CDS	8,000,000	10,179,680	18,179,680
AP Clearing	-	1,186,918	1,186,918
General	-	2,904,812	2,904,812
Total Deposits	10,876,542	14,271,410	25,147,952
Reconciling items	(68,397)	(283,423)	(351,820)
Reconciled balance June 30, 2015	\$ <u>10,808,145</u>	\$ <u>13,987,987</u>	\$ <u>24,796,132</u>

**Reconciliation to the financial statements**

Cash and cash equivalents:

Government-Wide statement of net position	\$ 24,435,742
Fiduciary statement of fiduciary assets and liabilities	360,390
	\$ <u>24,796,132</u>

**Component Unit**

Account Title	Citizens	Total
Payroll Clearing	\$ 57,115	\$ 57,115
General Fund	385,853	385,853
AP Clearing	3,078	3,078
Total Deposits	446,046	446,046
Reconciling items	(28,903)	(28,903)
Reconciled balance June 30, 2015	\$ <u>417,143</u>	\$ <u>417,143</u>

**Reconciliation to the financial statements**

Cash and cash equivalents:

Government-Wide statement of net position	\$ 410,951
Fiduciary statement of fiduciary assets and liabilities	6,192
	\$ <u>417,143</u>

STATE OF NEW MEXICO

Aztec Municipal Schools

Cash Reconciliation

For the Year Ended June 30, 2015

	Operational	Transportation	Instructional Materials	Food Services	Athletics	Federal Flowthrough	Federal Direct	Local Grants
Audited Cash and Investments, June 30, 2014	\$ 3,161,140	63,037	86,278	357,975	47,347	47,644	750	83,086
Adjustment to Beginning Cash Balance	127,550	(63,037)	-	(45)	-	(523,232)	(20,937)	-
Adjusted, Audited Cash Balance June 30, 2014	<u>3,288,690</u>	<u>-</u>	<u>86,278</u>	<u>357,930</u>	<u>47,347</u>	<u>(475,588)</u>	<u>(20,187)</u>	<u>83,086</u>
Add:								
2014-2015 Revenues	22,135,660	1,148,620	223,620	1,289,846	95,129	1,334,768	129,130	42,343
Cash Reclassification of Outstanding Liabilities	551,093	46,776	-	51	-	59,483	1,393	-
Net Loans from Other Funds	-	-	-	-	-	606,898	5,899	-
Operating Transfer In	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Cash and Investments Available	<u>25,975,443</u>	<u>1,195,396</u>	<u>309,898</u>	<u>1,647,827</u>	<u>192,476</u>	<u>1,525,561</u>	<u>116,235</u>	<u>125,429</u>
Less:								
2014-2015 Expenditures	21,483,659	1,148,620	209,494	1,222,021	115,005	1,525,561	115,187	59,517
Net Loans to Other Funds	901,881	-	-	-	-	-	-	-
Refund to Grantor	-	-	-	-	-	-	-	-
Operating Transfer Out	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and Investments, June 30, 2015	<u>\$ 3,539,903</u>	<u>46,776</u>	<u>100,404</u>	<u>425,806</u>	<u>77,471</u>	<u>-</u>	<u>1,048</u>	<u>65,912</u>
	State Flowthrough	State Direct	State Direct	Bond Building	Public School Capital Outlay	Capital Improvements	Debt Services	Total
Audited Cash and Investments, June 30, 2014	\$ 4,788	219,635	-	34,914	-	4,921,386	5,307,851	14,335,831
Adjustment to Beginning Cash Balance	(172,003)	(72,569)	-	-	-	-	-	(724,273)
Adjusted, Audited Cash Balance June 30, 2014	<u>(167,215)</u>	<u>147,066</u>	<u>-</u>	<u>34,914</u>	<u>-</u>	<u>4,921,386</u>	<u>5,307,851</u>	<u>13,611,558</u>
Add:								
2014-2015 Revenues	746,766	340,799	12,000	11,193,969	-	1,561,336	5,544,305	45,798,291
Cash Reclassification of Outstanding Liabilities	549	9,255	-	-	-	-	-	668,600
Net Loans from Other Funds	245,817	43,267	-	-	-	-	-	901,881
Operating Transfer In	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
Total Cash and Investments Available	<u>825,917</u>	<u>540,387</u>	<u>12,000</u>	<u>11,228,883</u>	<u>-</u>	<u>6,482,722</u>	<u>10,852,156</u>	<u>61,030,330</u>
Less:								
2014-2015 Expenditures	825,917	290,194	12,000	2,026,156	-	1,568,029	5,041,347	35,642,707
Net Loans to Other Funds	-	-	-	-	-	-	-	901,881
Refund to Grantor	-	-	-	-	-	-	-	-
Operating Transfer Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
Cash and Investments, June 30, 2015	<u>\$ -</u>	<u>250,193</u>	<u>-</u>	<u>9,202,727</u>	<u>-</u>	<u>4,914,693</u>	<u>5,810,809</u>	<u>24,435,742</u>

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Mosaic Academy Charter School  
Cash Reconciliation  
For the Year Ended June 30, 2015

	Operational	Instructional Materials	Federal Flowthrough	Federal Direct	Local Grants
<b>Adjusted Cash, June 30, 2014</b>	\$ 335,657	18,206	(3,177)	-	-
<b>Add:</b>					
2014-2015 Revenues	1,341,705	12,806	55,922	-	-
Reclassification of Held Checks	35,790	-	18	-	-
Net Loans from Other Funds	-	-	-	-	-
Operating Transfer In	-	-	-	-	-
<b>Total Cash Available</b>	<b>1,713,152</b>	<b>31,012</b>	<b>52,763</b>	<b>-</b>	<b>-</b>
<b>Less:</b>					
2014-2015 Expenditures	1,333,806	11,234	52,745	-	-
Net Loans to Other Funds	26,023	-	-	-	-
Operating Transfer Out	2,242	-	-	-	-
<b>Total Cash, June 30, 2015</b>	<b>\$ 351,081</b>	<b>19,778</b>	<b>18</b>	<b>-</b>	<b>-</b>

	State Flowthrough	Public School Capital Outlay	Capital Improvements	Total
<b>Adjusted Cash, June 30, 2014</b>	\$ (28,255)	(48,825)	19,647	293,253
<b>Add:</b>				
2014-2015 Revenues	83,426	132,252	46,966	1,673,077
Reclassification of Held Checks	7	-	-	35,815
Net Loans from Other Funds	1,750	24,273	-	26,023
Operating Transfer In	2,242	-	-	2,242
<b>Total Cash and Investments Available</b>	<b>59,170</b>	<b>107,700</b>	<b>66,613</b>	<b>2,030,410</b>
<b>Less:</b>				
2014-2015 Expenditures	59,163	107,700	26,546	1,591,194
Net Loans to Other Funds	-	-	-	26,023
Refund to Grantor	-	-	-	-
Operating Transfer Out	-	-	-	2,242
<b>Total Cash, June 30, 2015</b>	<b>\$ 7</b>	<b>-</b>	<b>40,067</b>	<b>410,951</b>

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Schedule of Collateral Pledged by Depository for Public Funds  
As of June 30, 2015

Primary Governmental Unit - Aztec Schools

<u>Name of Depository</u>	<u>Security Description</u>	<u>CUSIP Number</u>	<u>Market Value</u>	<u>Maturity Date</u>
Citizens Bank				
	FHLB Note	3136A3KN0	\$ 5,110,500	10/25/2040
	FHLB Note	3137AMMY0	4,158,000	10/25/2040
	Total Collateral at Citizens Bank		<u>9,268,500</u>	
Wells Fargo				
	FH 1B8903	3128UHH73	14,909	11/01/2041
	FG A93902	312942KP9	429,684	09/01/2040
	FN A14069	3138AHQX7	4,276	11/01/2041
	FN AK3545	3138E75F7	2,786,005	02/01/2042
	FN AP9609	3138MDVB5	908,866	10/01/2042
	FN AR0984	3138NXCW5	17,259	01/01/2043
	FN AS0023	3138W9AZ3	1,142,287	07/01/2043
	FN 890311	31410LDQ2	32,515	03/01/2041
	FN AB8535	31417FPV4	1,760,816	03/01/2043
	FN MA1003	31418ADH8	1,381,962	03/01/2042
	Total Collateral at Wells Fargo Bank		<u>8,478,579</u>	
	Total Pledged Collateral		<u>\$ 17,747,078</u>	

Component Unit - Mosiac Charter School

<u>Name of Depository</u>	<u>Security Description</u>	<u>CUSIP Number</u>	<u>Market Value</u>	<u>Maturity Date</u>
Citizens Bank	Municipal Bond AAA	098104KA9	\$ 580,000	8/1/2038

The pledged securities associated Citizens State Bank deposits are held at Federal Home Loan Bank, Dallas

The pledged securities associated Wells Fargo are held at Bank of New York Mellon

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Schedule of Changes in Net Position - Agency Funds  
For the Year Ended June 30, 2015

**Primary Government**

	Balance 7/1/2014	Additions	Deletions	Balance 6/30/2015
District Administration	\$ 62,148	17,349	11,378	\$ 68,119
Vista Nueva High School	1,528	638	-	2,166
Koogler Middle School	77,484	67,065	74,011	70,538
Aztec High School	140,185	134,094	143,163	131,116
McCoy Elementary	20,925	21,368	16,260	26,033
Park Elementary	40,303	44,726	52,782	32,247
Lydia Rippey Elementary	36,857	13,213	19,899	30,171
	<u>\$ 379,430</u>	<u>298,453</u>	<u>317,493</u>	<u>\$ 360,390</u>

District Agency Funds consolidated by budget authority site

**Component Unit**

	Balance 7/1/2014	Additions	Deletions	Balance 6/30/2015
School Wide	\$ 7,576	14,527	15,911	\$ 6,192
	<u>\$ 7,576</u>	<u>14,527</u>	<u>15,911</u>	<u>\$ 6,192</u>

AZTEC MUNICIPAL SCHOOL DISTRICT  
SCHEDULE OF VENDOR INFORMATION for Purchases Exceeding \$60,000 (excluding GRT)  
For the Year Ended June 30, 2015  
Prepared by: Malinda Fowler Title: Comptroller/ CPO

Schedule V

<i>RFB#/RFP#</i>	<i>Type of Procurement</i>	<i>Awarded Vendor</i>	<i>\$ Amount of Awarded Contract</i>	<i>\$ Amount of Amended Contract</i>	<i>Name and Physical Address per the procurement</i>	<i>In-State/ Out-of-State Vendor</i>	<i>Was the vendor in-state and</i>	<i>Brief Description of the Scope of</i>
N/A	Exempt	Archway SCM	\$ 141,280		N/A	N	N/A	Academic textbook supplier
2014-02	Competitive	Bourg, Jo Allen	\$ 77,463	N/A	1. Ardor Health Solutions, 5830 Coral Ridge Drive, Suite 120, Coral Springs, FL 33076 2. Gordon Henriksen, 2006 Eastlawn Ave, Durango, CO 81301	N	N	Ancillary service provider
N/A	Exempt	BP Energy	\$ 106,356		Aztec	Y	N/A	Utility - natural gas provider
N/A	Competitive	CDW- Government Inc - Cooperative education Services	\$ 2,152,375	Separate purchase orders	N/A	N	N/A	Information technology equipment provider
2015-01	Competitive	Chartwells	\$ 1,180,544	N/A	Multinational	N	N	Food service management
N/A	Exempt	City of Aztec	\$ 871,208	N/A	Aztec	Y	N/A	Utility - electric, water, sewer
N/A		Copiers CES pricing \$39,932.00	\$ 82,981	Separate purchase orders	Farmington	Y		Copiers and Copier maintenance
N/A	Competitive	Imagenet - Cooperative Education pricing	\$ 64,167	Separate purchase orders	National firm	N		Student Tracking Software
N/A	Competitive - Individual jobs	NCS Pearson	\$ 104,646	Separate purchase orders	Kirtland, NM	Y		Information technology equipment provider - cabling
2011-05	Competitive	Network Cabling	\$ 83,065	N/A	1. Soliant Health, 1979 Lakeside Parkway, Ste 800, Tucker, GA 30084 2. Shannon Hale, 20310 Hwy 160 W #334, Durango, CO 81301	N	N/A	Ancillary service provider
2013-07	Competitive	Ober,Tanya	\$ 69,623	N/A	1. Rockstar Recruiting, 500 Birch St., Ste 3000 West Tower, Newport Beach, CA 92660 2. Soliant Health 1979 Lakeside Parkway, Ste 800, Tucker, GA 30084	N	N/A	Ancillary service provider
2011-05	Competitive	Paak,Lissa	\$ 88,283	N/A	1. Soliant Health, 1979 Lakeside Parkway, Ste 800, Tucker, GA 30084 2. Tanya Ober, 205 W 26th St, Durango, CO 81301	N	N/A	Ancillary service provider
2013-08	Competitive	Hale, Shannon	\$ 87,867	N/A	Only Soliant Health answered RFP	N	N/A	Ancillary service provider
TCPN Contract	Proposal ID# 1737486 Agreement # CP9529 2015-15	Trane	\$ 98,265		TCPN	Y	N/A	TCPN - HVAC systems mx
N/A	Previous - Competitive	Tyler Technologies	\$ 74,753			N	N/A	Accounting/HR software
2013-02	Competitive	Unlimited Therapy	\$ 88,290	N/A	Sunbelt Staffing, 3687 Tampa Rd, Ste 200, Oldsmar, FL 34677	N	N/A	Ancillary service provider

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## **COMPLIANCE SECTION**



**Accounting & Consulting Group, LLP**  
Certified Public Accountants

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**INDEPENDENT AUDITORS' REPORT**

Timothy Keller  
New Mexico State Auditor  
The Office of Management and Budget  
The Board of Education  
Aztec Municipal Schools  
Aztec, New Mexico

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, the aggregate remaining fund information, the budgetary comparisons of the General Fund and major Special Revenue Fund of Aztec Municipal Schools (the "District"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and the combining and individual funds and related budgetary comparisons of the District presented as supplementary information, and have issued our report thereon dated November 5, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit, of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material weakness of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests did not disclose any instances of noncompliance or other matter that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP

Albuquerque, NM

November 5, 2015

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## **FEDERAL FINANCIAL ASSISTANCE**



**Accounting & Consulting Group, LLP**  
Certified Public Accountants

## **REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE WITH OMB CIRCULAR A-133**

### **INDEPENDENT AUDITORS' REPORT**

Timothy Keller  
New Mexico State Auditor  
The Board of Education  
Office of Management and Budget  
Aztec Municipal Schools  
Aztec, New Mexico

#### **Report on Compliance for Each Major Federal Program**

We have audited the Aztec Municipal Schools' (the "District") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2015. The District's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

#### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

#### **Opinion on Each Major Federal Program**

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

## Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit the attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP  
Albuquerque, NM  
November 5, 2015

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2015

Federal Grantor/Pass Through Grantor/Program Title	Pass Thru Number(s)	Federal C.F.D.A. Number	Expenditures
<b><u>Department of Education</u></b>			
Passed through from New Mexico			
Public Education Department			
Improving America's Schools Title I	24101	84.010	\$ 404,266
Individuals With Disabilities Act - Entitlement	24106	84.027	1 977,760
Individuals With Disabilities Act - Preschool	24109	84.173	1 18,821
Individuals with Disabilities Act - At Risk Pool	24120	84.027	1 690
Improving Teacher Quality	24154	84.367A	98,881
Carl Perkins	24174 & 24176	84.048	20,385
Direct Assistance			
Indian Education Formula Grant	25184	84.060A	<u>90,019</u>
Total Department of Education			<u>1,610,822</u>
<b><u>Bureau of Indian Affairs</u></b>			
Direct programs			
Johnson O'Malley	25131	15.130	<u>25,187</u>
Total Bureau of Indian Affairs			<u>25,187</u>
<b><u>Department of Agriculture</u></b>			
National School Lunch Program			
Passed through from New Mexico			
Public Education Department			
Child Nutrition Cluster	21000	10.533 & 10.555	<u>1,030,377 (*)</u>
Total Department of Agriculture			<u>1,030,377</u>
Total Expenditures of Federal Awards			<u><u>\$ 2,666,386</u></u>

\* Major program  
() Cluster Program



**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2015

Notes to Schedule of Expenditures of Federal Awards

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of Aztec Municipal Schools, New Mexico (District) and is presented on the modified accrual basis of accounting, which is the same basis as was used to prepare the modified accrual basis financial statements.

Sub-Recipients

The District did not provide any federal awards to sub-recipients during the year.

Federally Funded Insurance and Federally Funded Loans

The District has no federally funded insurance, and no federally funded loans or loan guarantees.

Non-Cash Federal Assistance

The District receives USDA Commodities for use in sponsoring the National School Lunch and Breakfast programs. The value of commodities received for the year ended June 30, 2015 was \$96,843 and is reported in the Schedule under the Department of Agriculture, CFDA # 10.555.

Reconciliation of Schedule of Expenditures of Federal Awards to Financial Statements:

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 2,666,386
Total expenditures funded from other sources	<u>\$32,970,945</u>
Total expenditures	<u>\$35,637,331</u>

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**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2015

**A. SUMMARY OF AUDITORS' RESULTS**

*Financial Statements:*

Type of auditors' report issued:	Unmodified
Internal control over financial reporting: Material weakness identified?	None noted
Significant deficiencies identified not considered to be material weaknesses?	None noted
Noncompliance material to financial statements noted?	None noted

*Federal Awards*

Internal control over major programs: Material weaknesses identified?	None noted
Significant deficiencies identified not considered to be material weaknesses?	None noted
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	None noted

Identification of major programs:

CFDA Number	Federal Program
10.553 and 10.555	Child Nutrition Cluster

Dollar threshold used to distinguish Between type A and type B programs:	\$300,000
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Auditee qualified as low risk auditee?	Yes
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**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2015

**B. FINDINGS – FINANCIAL STATEMENT AUDIT**

**Primary Government: None noted**

**Component Unit: None noted**

**C. FINDINGS – FEDERAL AWARDS**

**Primary Government: None noted**

**STATE OF NEW MEXICO**  
Aztec Municipal Schools  
Other Disclosures  
For the Year Ended June 30, 2015

**OTHER DISCLOSURES**

**Prior Year Audit Findings**

**Primary Government**

FS 2012-001 (FS 12-01) — Procurement Code – Other Matter- (Resolved)

FS 2013-001 (FS 13-01) — Entity-Wide Control Deficiency – Significant Deficiency (Resolved)

FS 2014-001 — Travel and Per Diem – Other Matter- (Resolved)

**Component Unit**

MA FS 2012-001 (MA FS 12-01)— Internal Control over Cash Disbursements – Other Matter- (Resolved)

MA FS 2014-001 — Travel and Per Diem – Other Matter- (Resolved)

**Exit Conference**

The contents of this report were discussed on November 5, 2015 for the District and Component Unit. The following individuals were in attendance.

Primary Government

Kirk Carpenter – Superintendent  
Judy Englehart – Associate Superintendent  
Tania Prokop – Deputy Superintendent  
Ryan Lane – Board Member  
Gary Martinez – Director of Finance  
Malinda Fowler – Comptroller

Accounting & Consulting Group, LLP

Ray Roberts, CPA- Managing Partner

Component Unit

Diane Mittler – Principal  
Nancy Ross – Contract Business Manager  
C.J. Spence – Board Member